

Saudi Arabian Monetary Authority

Trade Repository Reporting & Risk Mitigation Requirements for OTC Derivatives Contracts

November 2019

مؤسسة النقد العربي السعودي
Saudi Arabian Monetary Authority



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1. Introduction

1. These Rules are issued by Saudi Arabian Monetary Authority (SAMA) in exercise of the powers vested upon it under its Charter issued by the Royal Decree No.23 on 23-05-1377H (15 December 1957G) and the Banking Control Law issued by the Royal Decree No. M/5 on 22-02-1386H (11 June 1966G) and the rules for Enforcing its Provisions issued by Ministerial Decision No 3/2149 on 14/10/1406AH.
2. These rules are divided into two Sections.
3. **Section A** of the rules set out the requirements for the reporting of over-the-counter (OTC) derivative transactions to the SAMA authorized Trade Repository (TR) Operator.
4. **Section B** of the rules requires banks, which enter into non-centrally cleared OTC derivative transactions to implement specified risk mitigation requirements. These risk mitigation requirements will apply to a bank, which is a contracting party to OTC derivative transactions that are not centrally cleared, irrespective of the bank's outstanding notional amount of non-centrally cleared OTC derivatives or whether or not the transaction is executed for hedging purposes. OTC derivatives, which are centrally cleared, either directly or indirectly, are not subject to the risk mitigation requirements. Indirect clearing is an arrangement whereby a bank provides client-clearing services by clearing a client's OTC derivative transactions through another clearing intermediary.
5. The reporting requirements (Section A of the rules) will take effect on **January 1st 2020**. The reporting rules shall supersede the existing Saudi Arabian Trade Repository (SATR) rules issued vide SAMA circular no. 341000033330 dated 15/03/1434AH. In order to allow the industry time to implement any necessary operational and systemic changes, the risk mitigation requirements part of these rules (Section B of the rules) will come into effect on **April 1 2020**.

2. SECTION A:

2.1 Trade Reporting Requirements for Over-The-Counter (OTC) Derivatives Contracts.

2.1.1 Application

6. The reporting requirements are applicable to all banks in the Kingdom of Saudi Arabia (KSA) with OTC derivative transactions.

2.1.2 Scope of Reporting

7. OTC derivative transactions that fall within the scope of “reportable transactions” described in paragraph 8 to 12 below are required to be reported to the SAMA authorised Trade Repository Operator.
8. Reportable transactions are derivative transactions that meet the following criteria:
 - a. The transaction is traded over the counter cleared or non-cleared (i.e. exchange traded transactions are excluded) or is novated from an OTC transaction to a central counterparty (CCP);
 - b. The transaction is an interest rate derivative or a foreign exchange (FX) derivative supported by the SAMA authorised Trade Repository;
 - c. The transaction is conducted by a counterparty which is a licensed bank in Kingdom of Saudi Arabia (KSA) (in the case of a locally incorporated bank) or a KSA branch (in the case of a foreign bank) or by its financial subsidiaries or branches (including SPVs).
 - d. The other counterparty to the transaction is:
 - i. A licensed bank in Kingdom of Saudi Arabia (KSA) (in the case of a locally incorporated bank) or a KSA branch (in the case of a foreign bank);
 - ii. A foreign financial counterparty;
 - iii. A KSA or a foreign non-financial counterparty; or
 - iv. A CCP if the transaction is novated from an OTC transaction to a CCP.
 - e. These reporting rules will at a future date (determined by SAMA) be also enforceable for other OTC derivative transactions on any of the following asset classes: Equity, Credit and Commodities.

9. If a reportable transaction is, for example, entered into between a KSA branch of bank X and the USA Head Office of bank Y, Bank X falls within paragraph 8(c) while Bank Y falls within paragraph 8(d). The transaction is reportable by Bank X but not by Bank Y. If however the transaction is booked in KSA branch of bank Y, reporting obligation rules must be applied to determine the reporting counterparty as per the single sided reporting obligation approach as mentioned in **APPENDIX C**.
10. The transactions referred to in paragraph 8(c) above include those that are booked in KSA office/branch of a licensed bank as a result of transfer of booking (i.e. through novation) of contracts entered into with external parties by the head office or overseas branches of the bank. If such novated transactions are reportable (i.e. the criteria set out in paragraph 8 above are also met after novation), the reporting bank should report the external counterparty (another licensed bank) who has originally entered into contract with the bank, instead of the office/branch from which the contract is transferred, as its counterparty to the transaction. In other words, a novated transaction that does not involve any external counterparty is not reportable.
11. Reportable transactions do not include interbranch transactions (except those that fall within paragraph 9 above) and intrabranh transactions (e.g. transactions between different desks of the treasury function). An interbranch transaction refers to a principal-to-principal transaction (or a back-to-back transaction) conducted between different branches of the same bank, including any transaction undertaken to transfer the risk of the transaction (or portfolio transactions) from one branch to another.
12. For the avoidance of doubt, reportable transactions:
 - A. Exclude “spot” FX transactions, which refer in this context to FX transactions that are settled via an actual delivery of the relevant currencies within two business days;
 - B. Exclude, from the perspective of a reporting bank, those transactions booked in its local or overseas subsidiaries (unless those subsidiaries are licensed banks and reporting criteria set out in these rules are met, where in such case, they need to report to KSA TR regardless of their location);
 - C. Include, in the case of reportable transactions which are novated for central clearing, those new transactions entered into by reporting banks with CCPs ; and

D. Exclude, transactions in which any of the following institutions participate as counterparty:

- i. The Government of the Kingdom of Saudi Arabia (those risk weighted at zero under the capital adequacy rules).
- ii. SAMA
- iii. The Stock Exchange
- iv. The depository center
- v. A supranational authority
- vi. Multilateral Development Banks
- vii. An insurance Company

2.1.3 Manner of Reporting

13. All reporting banks are required to directly report to the SAMA authorised TR Operator. Banks are not allowed to report through agents or outsource their reporting requirements to third party service providers.
14. All reporting banks are required to enter into a reporting service agreement with SAMA authorised TR Operator.
15. The reporting service agreement signed by each reporting bank with SAMA authorised TR Operator must contain a clause providing consent for the bank for the reporting of trade data to the SAMA authorised TR Operator by its counterparties. This consent is essential to alleviate any potential concern on data confidentiality from bank counterparties, which may need to report trade data to the SAMA authorised TR Operator relating to other counterparties that do not themselves have any such reporting obligation under the reporting requirements.
16. Since reporting has to be made to the SAMA authorised TR Operator by electronic means, reporting banks are required to set up systems linkages and conduct user tests with the SAMA authorised TR Operator. Reporting banks must complete the user tests to the satisfaction of the SAMA authorised TR Operator before they will be accepted for reporting.
17. The SAMA authorised TR Operator has designed specific templates for reporting the details of the reportable transactions. A reporting bank is required to complete all the fields in the templates, which primarily relate to the economic terms of a transaction and information essential for administrative purposes. A list of fields on the templates for reporting transactional data is attached as **APPENDIX A**.

18. Reporting to the SAMA authorised TR Operator is compulsory:
 - A. When a reportable transaction is executed by a reporting bank for the first time; and
 - B. Whenever there are subsequent reportable business events until the transaction is fully terminated (which includes termination due to novation). A list of reportable events is set out in **APPENDIX B** for reference.
19. A reporting bank may report changes in the economic details of a reportable transaction by submitting amendments to update the transaction records of the SAMA authorised TR Operator. Alternatively, the bank may update the records of the SAMA authorised TR Operator by submitting specific templates designated for reporting individual business events (**APPENDIX B**).
20. Reportable business events shall be reported by adopting a life cycle approach. Under the life cycle approach, each business event will be reported according to the T+1 reporting timeline referred to in paragraph 22 below.
21. After an original trade is novated for central clearing, the reporting bank should report business events with reference to the new trade entered into by the bank with the CCP concerned, and there is no need to trace back to the original trade. This recognises that once the original trade is novated for central clearing, the active record of the original trade will be removed from the reporting bank's computer system, making it difficult to identify the original trade with which a business event is associated.

2.1.4 Timing of Reporting

22. The reporting bank will have to ensure that it reports to the SAMA authorised TR Operator reportable transactions (including where appropriate any subsequent business events) before 23:59:59 of the next business day (T+1). For the purpose of these reporting requirements, Fridays and Saturdays and general KSA holidays do not count as business days.
23. Reporting is not required if a reportable transaction that has yet to be reported to the SAMA authorized TR is cancelled or fully terminated within the T+1 reporting timeline. This, however, does not apply to the cancellation or full termination of a transaction for the sake of subjecting the transaction to central clearing. In such cases, the original reportable transaction pending central clearing (and the business events arising from the central clearing) should be reported according to the T+1 timeline, unless the transaction is cancelled or fully terminated before it is reported to the SAMA authorized TR Operator with T+1 timeline.

2.1.5 Reporting error amendments

24. Guidance on reporting error amendment can be found in **APPENDIX B.**

2.1.6 Keeping of records

25. A reporting bank must keep records that enable the reporting bank to demonstrate it has complied with the requirements of these rules.

26. A reporting bank must keep the records for a period of at least ten (10) years from the date the record is made or amended.

2.1.7 Technical Support

27. The SAMA authorised TR Operator will provide the reporting banks with technical reporting guidelines/manual for its systems/reporting tools. All enquiries relating to technical support should be directed to the SAMA authorised TR Operator.

3. SECTION B:

3.1 Risk Mitigation Requirements for Non-Centrally Cleared Over-The-Counter (OTC) Derivative Contracts.

3.1.1 Trading Relationship Documentation

1. The trading relationship documentation should:
 - a) Provide legal certainty for non-centrally cleared over-the-counter derivatives contracts;
 - b) Include all material rights and obligations of counterparties concerning their trading relationship with regard to non-centrally cleared over-the-counter derivatives contracts. Such rights and obligations of the counterparties may be incorporated by reference to other documents in which they are specified; and
 - c) Be executed in writing or through other equivalent non-rewritable, nonerasable electronic means (without prejudice to subparagraph (b) above).

2. The material rights and obligations referred to in paragraph 1(b), where relevant, may include:
 - a) Payment obligation;
 - b) Netting of payments;
 - c) Events of default or other termination events (For instance, any rights to early termination)
 - d) Calculation and any netting of obligations upon termination;
 - e) Transfer of rights and obligations;
 - f) Governing law;
 - g) Processes for confirmations, valuation, portfolio reconciliation and dispute resolution; and
 - h) Matters related to credit support arrangements (e.g. initial and variation margin requirements, types of assets that may be used for satisfying such margin requirements and any asset valuation haircuts, investment and rehypothecation terms for assets posted to satisfy such margin requirements, guarantees and custodial arrangements for margin assets such as whether margin assets are to be segregated with a third party custodian).

3. The retention period for trading relationship documentation should be a minimum of ten (10) years after the termination, maturity or assignment of any non-centrally cleared over-the-counter derivatives contracts.

3.1.2 Trade Confirmation

4. Banks are required to confirm the material terms of a non-centrally cleared over-the-counter derivatives transaction as soon as practicable after execution of the transaction, including a new transaction resulting from novation. Banks are also required to adopt policies and procedures to confirm material changes to the legal terms of, or rights and obligations under, the non-centrally cleared over-the-counter derivatives contract, such as those relating to termination prior to scheduled maturity date, assignment, amendment or extinguishing of rights or obligations.
5. The material terms confirmed should include terms necessary to promote legal certainty to the non-centrally cleared over-the-counter derivatives transaction, including incorporating by reference, the trading relationship documentation or any other documents that govern or otherwise form part of the trading relationship documentation.
6. The confirmation should be executed in writing through:
 - A. Non-rewritable, non-erasable automated methods where it is reasonably practicable for the bank to do so;
 - B. Manual means; or
 - C. Other non-rewritable, non-erasable electronic means (such as email).
7. Banks are required to implement appropriate policies and procedures to ensure a two-way confirmation is executed with a counterparty (financial and non-financial).
8. For non-centrally cleared over-the-counter derivatives transactions concluded after the bank's dealing system cut off time, or with a counterparty located in a different time zone, banks are required to execute the confirmation as soon as practicable.

3.1.3 Valuation

9. Banks are required to agree with their counterparties the process for determining the values of the non-centrally cleared over-the-counter derivatives transactions in a predictable and objective manner. The process should cover the entire duration of the non-centrally cleared over the-counter derivatives transaction, at any time from the execution of the contract to the termination, maturity, or expiration thereof. All agreements on valuation process should be documented in the trading relationship documentation or trade confirmation and may include matters such as the approach to valuation, the key parameters and the data sources for such parameters.

10. The valuation determinations should be based on economically similar transactions or other objective criteria. Banks should be able to compute the valuation internally and be able to corroborate any valuations done by their counterparts or third parties. Where a bank uses a proprietary valuation model, it must use a model employing valuation methodologies with mainstream acceptance. If new methodologies are used, these should have a sound theoretical basis and the bank will need to justify their use, e.g. by showing that the new methodology addresses a limitation of an existing methodology or improves the reliability of the valuation.
11. Banks are required to perform periodic review of the agreed upon valuation process to take into account any changes in market conditions. Where changes are made as a result of the review, the relevant documentation must be updated to reflect such changes.
12. Banks are required to agree on and document:
 - A. The alternative process or approach by which the bank and its counterparty will determine the value of a non-centrally cleared over-the-counter derivatives transaction in the event of the unavailability, or other failure, of any inputs required to value the transaction;
 - B. Any changes or procedures for modifying the valuation process at any time so long as the agreements remain consistent with the applicable law; and
 - C. How a dispute on valuation, if it arises, should be resolved.

3.1.4 Portfolio Reconciliation

13. Banks are required to include in their policies and procedures –
 - A. The process or method for portfolio reconciliation that it has agreed with its financial counterparties; and
 - B. The process or method that reflects its efforts to conduct portfolio reconciliation with its non-financial counterparties, e.g. by providing, on a periodic basis, a non-financial counterparty with a statement on the material terms and valuations of the non-centrally cleared over-the-counter derivatives contracts entered into with that non-financial counterparty.
14. The process or method of portfolio reconciliation should be designed to ensure an accurate record of the material terms and valuations of the non-centrally cleared over-the-counter derivatives contracts, and identify and resolve discrepancies in the material terms and valuations in a timely manner with the counterparty.

15. Banks are required to determine the scope and frequency of portfolio reconciliation with a counterparty, taking into account the risk exposure profile, size, volatility and number of non-centrally cleared over-the-counter derivatives transactions which the bank has with that counterparty. Portfolio reconciliation should be carried out more frequently where the bank has a higher number of outstanding transactions with its counterparty.
16. Banks are required to establish and implement policies and procedures to ensure that the material terms are exchanged and valuations (including variation margin) are reconciled with counterparties, at regular intervals. The frequency of portfolio reconciliation with each counterparty should be commensurate with the counterparty's risk exposure profile and the number of outstanding transactions.

3.1.5 Portfolio Compression

17. Banks are required to consider factors such as the risk exposure profile, size, volatility and number of outstanding transactions in assessing whether to conduct a portfolio compression with one or more counterparties. Banks are required to establish and implement policies and procedures to regularly assess and engage in portfolio compression as appropriate in respect of non-centrally cleared OTC derivative portfolios. This should be proportionate to the level of exposure or activity of the bank.

3.1.6 Dispute Resolution

18. Banks are required to agree and document with their counterparties the mechanism or process for determining when discrepancies in material terms or valuations should be considered disputes and how such disputes should be resolved as soon as practicable.
19. Material disputes should be escalated to senior management and the Board of the bank. There should be clear criteria used by the bank to determine when a dispute is considered material.
20. Banks are required to promptly report to SAMA material disputes (as determined by the bank in 19 above) which remains unresolved beyond 15 business days.

3.1.7 Governance

21. The policies and procedures governing trading relationship documentation, trade confirmation, valuation, portfolio reconciliation, portfolio compression, and dispute resolution should be approved by the board of directors or its delegated authority, and be subject to periodic independent review.

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APPENDIX A

1) Counterparty data

Table	Item	Section	Field	Details to be reported	Format
1	1	Parties to the contract	Reporting Counterparty ID Reporting Counterparty ID	Unique code identifying the reporting counterparty of the contract.	ISO 17442 Legal Entity Identifier (LEI) 20 alphanumeric character code.
1	2	Parties to the contract	ID of the other Counterparty	Unique code identifying the other counterparty of the contract. This field shall be filled from the perspective of the reporting counterparty. In case of a private individual a client code shall be used in a consistent manner.	<p>IISO 17442 Legal Entity Identifier (LEI) 20 alphanumeric character code.</p> <p>CLC = Client code (up to 100 alphanumeric digits, spaces allowed):</p> <ul style="list-style-type: none"> - For local natural persons (including foreigners residents in KSA): National Identification Number (NIN). - For foreign natural persons: ISO 3166 - 2 character country code + Applicable national ID number.

Table	Item	Section	Field	Details to be reported	Format
1	3	Parties to the contract	Country of the other Counterparty	The code of country where the registered office of the other counterparty is located or country of residence in case that the other counterparty is a natural person.	ISO 3166 - 2 character country code.
1	4	Parties to the contract	Corporate sector of the reporting counterparty	<p>Nature of the reporting counterparty's company activities.</p> <p>If the Reporting Counterparty is a Financial Counterparty, this field shall contain all necessary codes included in the Taxonomy for Financial Counterparties and applying to that Counterparty.</p> <p>Where more than one activity is reported, the codes shall be populated in order of the relative importance of the corresponding activities.</p>	<p>Taxonomy for Financial Counterparties:</p> <p>B = Banks K = Authorized person L = Legal Persons engaged in the business of extending credit (mortgage lending companies and Auto Lease companies) I = Insurance companies F = Finance companies A = Affiliate of any of the above</p> <p>Where more than one activity is reported, list the codes in order of the relative importance of the corresponding activities, separating them with "-".</p>

Table	Item	Section	Field	Details to be reported	Format
1	5	Parties to the contract	Nature of the reporting counterparty	Indicate if the reporting counterparty is a financial or a non-financial counterparty.	F = Financial Counterparty N = Non financial counterparty (this value is not valid until the reporting obligation is extended to non-financial counterparties)
1	6	Parties to the contract	Reporting counterparty broker ID	In cases where a broker (as defined in article 32 of Royal Decree (m30) Capital Market Law of the Kingdom of Saudi Arabia) acts as intermediary for the reporting counterparty without becoming a counterparty himself, the reporting counterparty shall identify this broker by a unique code.	ISO 17442 Legal Entity Identifier (LEI) 20 alphanumerical character code.
1	7	Parties to the contract	Other counterparty broker ID	In cases where a broker (as defined in article 32 of Royal Decree (m30) Capital Market Law of the Kingdom of Saudi Arabia) acts as intermediary for the other counterparty without becoming a counterparty himself, the reporting counterparty shall identify this broker by a unique code.	ISO 17442 Legal Entity Identifier (LEI) 20 alphanumerical character code.

Table	Item	Section	Field	Details to be reported	Format
1	8	Parties to the contract	Clearing member ID of the reporting counterparty	In cases where the derivatives contract is cleared and the reporting counterparty is not a clearing member itself, the clearing member through which the derivative contract is cleared shall be identified in this field by a unique code.	ISO 17442 Legal Entity Identifier (LEI) 20 alphanumeric character code.
1	9	Parties to the contract	Clearing member ID of the other counterparty	In cases where the derivatives contract is cleared and the other counterparty is not a clearing member itself, the clearing member through which the derivative contract is cleared shall be identified in this field by a unique code.	ISO 17442 Legal Entity Identifier (LEI) 20 alphanumeric character code.
1	10	Parties to the contract	Beneficiary ID 1	<p>The party subject to the rights and obligations arising from the contract for counterparty 1.</p> <p>Where the transaction is executed via a structure, such as a trust or fund, representing a number of beneficiaries, the beneficiary should be identified as that structure.</p> <p>Where the beneficiary of the contract is not a counterparty to this contract, the</p>	<p>IISO 17442 Legal Entity Identifier (LEI) 20 alphanumeric character code.</p> <p>CLC = Client code (up to 100 alphanumeric digits, spaces allowed):</p> <ul style="list-style-type: none"> - For local natural persons: National Identification Number (NIN). - For foreign natural persons: ISO

Table	Item	Section	Field	Details to be reported	Format
				<p>reporting counterparty has to identify this beneficiary by a unique code or, in case of a private individuals, by a client code used in a consistent manner as assigned by the legal entity used by the private individual.</p> <p>Besides all validations described in the document, in the case where the entity is acting as a principal, this field must be reported with the ID of the reporting counterparty. Otherwise, if it is acting as an agent, this field can be left blank.</p>	3166 - 2 character country code + Applicable national ID number.
1	11	Parties to the contract	Beneficiary ID 2	<p>Where the transaction is executed via a structure, such as a trust or fund, representing a number of beneficiaries, the beneficiary should be identified as that structure.</p> <p>Where the beneficiary of the contract is not a counterparty to this contract, the reporting counterparty has to identify this beneficiary by a unique code or, in case of a private individuals, by a client code used in a consistent manner</p>	<p>IISO 17442 Legal Entity Identifier (LEI) 20 alphanumerical character code.</p> <p>CLC = Client code (up to 100 alphanumerical digits, spaces allowed):</p> <ul style="list-style-type: none"> - For local natural persons: National Identification Number (NIN). - For foreign natural persons: ISO 3166 - 2 character country code + Applicable national ID number.

Table	Item	Section	Field	Details to be reported	Format
				as assigned by the legal entity used by the private individual. Besides all validations described in the document, in the case where the entity is acting as a principal, this field must be reported with the ID of the other counterparty. Otherwise, if it is acting as an agent, this field can be left blank.	
	12	Parties to the contract	Trading capacity of the reporting counterparty	Identifies whether the reporting counterparty has concluded the contract as principal on own account (on own behalf or behalf of a client) or as agent for the account of and on behalf of a client.	P = Principal A = Agent
1	13	Parties to the contract	Trading capacity of the other counterparty	Identifies whether the other counterparty has concluded the contract as principal on own account (on own behalf or behalf of a client) or as agent for the account of and on behalf of a client.	P = Principal A = Agent
1	14	Parties to the contract	Counterparty side	Identifies whether the reporting counterparty is a buyer or a seller.	B = Buyer S = Seller

Table	Item	Section	Field	Details to be reported	Format
1	15	Parties to the contract	Value of contract	Mark to market valuation of the contract, or mark to model valuation where applicable.	Up to 20 numerical characters including up to 5 decimals. The decimal mark is not counted as a numerical character. If populated, it shall be represented by a dot. The negative symbol, if populated, is not counted as a numerical character.
1	16	Parties to the contract	Currency of the value	The currency used for the valuation of the contract.	ISO 4217 Currency Code, 3 alphabetical characters.
1	17	Parties to the contract	Valuation timestamp	Date and time of the last valuation. For mark-to-market valuation the date and time of publishing of reference prices shall be reported.	ISO 8601 date in the UTC time format YYYY-MM-DDThh:mm:ssZ
1	18	Parties to the contract	Valuation type	Indicate whether valuation was performed mark to market, mark to model.	M = Mark-to-market O = Mark-to-model

2) Common data

Table	Item	Section	Field	Details to be reported	Format
2	1	Section 2a - Contract type	Instrument type	Each reported contract shall be classified according to its type.	CD = Financial contracts for difference FR = Forward rate agreements FU = Futures FW = Forwards OP = Option SB = Spreadbet SW = Swap ST = Swaption OT = Other
2	2	Section 2a - Contract type	Asset class	Each reported contract shall be classified according to the asset class it is based on.	CO = Commodity and emission allowances CR = Credit CU = Currency EQ = Equity IR = Interest Rate
2	3	Section 2b – Contract information	Product classification type	The type of relevant product classification.	C = CFI U = UPI (once endorsed by SAMA) Until UPI is endorsed by SAMA, this field shall only be populated

Table	Item	Section	Field	Details to be reported	Format
					with the value "C" (1 alphabetical character).
2	4	Section 2b – Contract information	Product classification	Applicable product classification code: CFI or UPI. Until UPI is endorsed by SAMA, this field shall always be populated with CFI. When dealing with hybrid options, exotic products or any other OTC derivative with different components, the basic one (i.e. the component which weights more in the derivative) must be taken into account for CFI population purposes. In case of waad OTC derivatives, the CFI must be determined on the assumption that the buyer is binding to the contract and the contract will be settled.	ISO 10692 CFI, 6 characters alphabetical code UPI (once mandated by SAMA)
2	5	Section 2b – Contract information	Product identification type	The type of relevant product identification.	Specify the applicable identification: <ul style="list-style-type: none"> • I = For products for which an ISO 6166 ISIN code is available • U = UPI (once mandated by SAMA)

Table	Item	Section	Field	Details to be reported	Format
					<ul style="list-style-type: none"> • N = Not available for products for which an ISIN is not available.
2	6	Section 2b – Contract information	Product identification	The product shall be identified through ISIN or UPI (once endorsed by SAMA) when the OTC derivative is not identified by an ISIN.	<p>For product identifier type I: ISO 6166 ISIN 12 character alphanumeric code.</p> <p>For product identifier type U: UPI code (format to be defined once UPI is mandated by SAMA).</p> <p>For product identifier type N: Blank</p>
2	7	Section 2b – Contract information	Underlying identification type	The type of relevant underlying identifier.	<p>I = ISIN</p> <p>C = CFI</p> <p>U = UPI (only once mandated by SAMA)</p> <p>B = Basket</p> <p>X = Index</p> <p>N = Not available</p>

Table	Item	Section	Field	Details to be reported	Format
2	8	Section 2b – Contract information	Underlying identification	<p>The direct underlying shall be identified by using a unique identification for this underlying based on its type.</p> <p>For derivatives which underlying is a currency (foreign exchange rate), in the absence of an endorsed UPI, the underlying currency must be indicated under the notional currency.</p> <p>In case of baskets composed, among others, of financial instruments traded in a trading venue, only financial instruments traded in a trading venue with a valid ISIN shall be specified.</p>	<p>For underlying identification type I: ISO 6166 ISIN 12 character alphanumerical code</p> <p>For underlying identification type C: ISO 10692 CFI 6 character alphanumerical code</p> <p>For underlying identification type U: UPI (once mandated by SAMA)</p> <p>For underlying identification type B: all individual components identification through ISO 6166 ISIN Identifiers of individual components shall be separated with a dash “-“. In any other case, this field shall be populated NA.</p> <p>For underlying identification type X: ISO 6166 ISIN if available, otherwise full name of the index as assigned by the index provider.</p>

Table	Item	Section	Field	Details to be reported	Format
					For underlying identification type N: Blank
2	9	Section 2b – Contract information	Country of the underlying	The code of country where the underlying is located.	ISO 3166 - 2 character country code.
2	10	Section 2b – Contract information	Complex trade component ID	Identifier, internal to the reporting firm, to identify and link all the reports related to the same derivative structured product composed of a combination of derivative contracts. The code must be unique at the level of the counterparty to the group of transaction reports resulting from the derivative contract. Field applicable only where a firm executes a derivative contract composed of two or more derivative contracts and where this contract cannot be adequately reported in a single report.	An alphanumeric field up to 35 characters.

Table	Item	Section	Field	Details to be reported	Format
2	11	Section 2b – Contract information	Notional currency 1	The currency of the notional amount. In case of an interest rate or currency derivative contract, this will be the notional currency of leg 1.	ISO 4217 Currency Code, 3 alphabetical characters.
2	12	Section 2b – Contract information	Notional currency 2	The other currency of the notional amount. In case of an interest rate or currency derivative contract, this will be the notional currency of leg 2.	ISO 4217 Currency Code, 3 alphabetical characters.
2	13	Section 2b – Contract information	Deliverable currency	The currency to be delivered	ISO 4217 Currency Code, 3 alphabetical characters.
2	14	Section 2c - Details on the transaction	Internal unique trade ID	In the absence of a global Unique transaction identifier (UTI) endorsed by SAMA, a unique trade identifier code shall be generated. This means that only one trade identifier should be applicable to every single OTC derivative contract that is reported to SATR and that the same trade identifier is not used for any other derivative contract, even in transactions between local obliged entities and foreign (non-Saudi) counterparties. In this respect, certain rules must be defined in order to determine the entity responsible of generating this unique	Up to 52 alphanumeric character code using exclusively alphabetical characters (A-z) and digits (0-9), including four special characters, the special characters not being allowed at the beginning or at the end of the code. No spaces allowed. There is no requirement to pad out Internal unique trade ID values to make them 52 characters long. This trade id will be a concatenation of the following: • The characters 'E02'.

Table	Item	Section	Field	Details to be reported	Format
				trade identifier (hereinafter, the generating entity). In general terms, the generating entity will be the reporting counterparty in accordance with the rules defined in section Business Rules of this document.	<ul style="list-style-type: none"> • The (20 character) Legal Entity Identifier of the generating entity. • A unique code generated by the generating entity.
2	15	Section 2c - Details on the transaction	Unique trade ID	This field will always be coincident with the "Internal unique trade id" except in those trades in which the other counterparty is an international counterparty and counterparties agree that it shall be the other counterparty the generating entity. In this respect, when such transactions are centrally cleared through a CCP (also under indirect clearing agreements reached with a clearing house member) or when they are electronically confirmed, counterparties can agree that the CCP (or when applicable the clearing member through which the transaction is cleared) or the electronic platform through which the trade is confirmed become the unique trade identifier generating entity.	Up to 52 alphanumeric character code using exclusively alphabetical characters (A-z) and digits (0-9), including four special characters, the special characters not being allowed at the beginning or at the end of the code. No spaces allowed. There is no requirement to pad out Unique trade ID values to make them 52 characters long.

Table	Item	Section	Field	Details to be reported	Format
				<p>In these cases the international generating entity shall communicate the unique trade identifier to the reporting counterparty in a timely manner so that the latter is able to meet its reporting obligation.</p> <p>If the international generating entity informs the "Unique trade ID" before the reporting deadline, this field shall be populated with the ID informed by the international generating entity. On the contrary, if the international generating entity does not inform the "Unique trade ID" before the T+1 deadline, this field can be left blank until the "Unique trade ID is informed". In such cases, once the ID is informed, a Modification report must be submitted by the reporting counterparty in order to populate the "Unique trade id" informed by the international generating entity.</p>	

Table	Item	Section	Field	Details to be reported	Format
2	16	Section 2c - Details on the transaction	Price / rate	The price per derivative excluding, where applicable, commission and accrued interest.	Up to 20 numerical characters including up to 5 decimals. The decimal mark is not counted as a numerical character. If populated, it shall be represented by a dot. The negative symbol, if populated, is not counted as a numerical character. In case the price is reported in percent values, it should be expressed as percentage where 100% is represented as "100" "9999999999999999.99999" is accepted when the actual value is not available.
2	17	Section 2c - Details on the transaction	Price notation	The manner in which the price is expressed.	U = Units/Monetary amount P = Percentage Y = Yield/Decimal X = Not applicable

Table	Item	Section	Field	Details to be reported	Format
2	18	Section 2c - Details on the transaction	Currency of price	The currency in which the Price / rate is denominated.	ISO 4217 Currency Code, 3 alphabetic characters
2	19	Section 2c - Details on the transaction	Notional	The reference amount from which contractual payments are determined. In case of partial terminations, amortizations and in case of contracts where the notional, due to the characteristics of the contract, varies over time, it shall reflect the remaining notional after the change took place.	Up to 20 numerical characters including up to 5 decimals. The decimal mark is not counted as a numerical character. If populated, it shall be represented by a dot.
2	20	Section 2c - Details on the transaction	Price multiplier	The number of units of the financial instrument which are contained in a trading lot; for example, the number of derivatives represented by the contract.	Up to 20 numerical characters including up to 5 decimals. The decimal mark is not counted as a numerical character. If populated, it shall be represented by a dot.
2	21	Section 2c - Details on the transaction	Quantity	Number of contracts included in the report. For spread bets, the quantity shall be the monetary value wagered per point movement in the direct underlying financial instrument.	Up to 20 numerical characters including up to 5 decimals. The decimal mark is not counted as a numerical character. If populated, it shall be represented by a dot.

Table	Item	Section	Field	Details to be reported	Format
2	22	Section 2c - Details on the transaction	Up-front payment	Amount of any up-front payment the reporting counterparty made or received.	Up to 20 numerical characters including up to 5 decimals. The negative symbol to be used to indicate that the payment was made, not received. The decimal mark is not counted as a numerical character. If populated, it shall be represented by a dot. The negative symbol, if populated, is not counted as a numerical character.
2	23	Section 2c - Details on the transaction	Delivery type	Indicates whether the contract is settled physically or in cash.	C = Cash P = Physical O = Optional for counterparty or when determined by a third party.
2	24	Section 2c - Details on the transaction	Execution timestamp	Date and time when the contract was initially executed, resulting in the generation of a new trade id.	ISO 8601 date in the UTC time format YYYY-MM-DDThh:mm:ssZ
2	25	Section 2c - Details on the transaction	Effective date	Unadjusted date when obligations under the contract come into effect.	ISO 8601 date in the format YYYY-MM-DD

Table	Item	Section	Field	Details to be reported	Format
2	26	Section 2c - Details on the transaction	Expiration date	Original date of expiry of the reported contract. An early termination shall not be reported in this field.	ISO 8601 date in the format YYYY-MM-DD
2	27	Section 2c - Details on the transaction	Early termination date	Termination date in the case of an early termination of the reported contract.	ISO 8601 date in the format YYYY-MM-DD
2	28	Section 2c - Details on the transaction	Settlement date	Date of settlement of the underlying. Date, as per the contract, by which all transfer of cash or assets should take place and the counterparties should no longer have any outstanding obligations to each other under that contract. If more than one, further fields may be used.	ISO 8601 date in the format YYYY-MM-DD This field is repeatable.
2	29	Section 2c - Details on the transaction	Master Agreement type	Reference to any master agreement, if existent (e.g. ISDA Master Agreement; Master Power Purchase and Sale Agreement; International ForEx Master Agreement; European Master Agreement or any local Master Agreements).	Free Text, field of up to 50 characters, identifying the name of the Master Agreement used, if any. If no Master agreement exists, this field shall be left blank.

Table	Item	Section	Field	Details to be reported	Format
2	30	Section 2c - Details on the transaction	Master Agreement version	Reference to the year of the master agreement version used for the reported trade, if applicable (e.g. 1992, 2002, etc.)	ISO 8601 date in the format YYYY
2	31	Section 2d - Risk mitigation / Reporting	Confirmatio n timestamp	Date and time of the confirmation.	ISO 8601 date in the UTC time format YYYY-MM-DDThh:mm:ssZ
2	32	Section 2d - Risk mitigation / Reporting	Confirmatio n means	Whether the contract was electronically confirmed, non-electronically confirmed or remains unconfirmed	Y = Non-electronically confirmed N = Non-confirmed E = Electronically confirmed
2	33	Section 2e - Clearing	Cleared	Indicates, whether the transaction has been cleared in a CCP or not.	Y = Yes N = No

Table	Item	Section	Field	Details to be reported	Format
2	34	Section 2e - Clearing	Clearing timestamp	Time and date when clearing took place	ISO 8601 date in the UTC time format YYYY-MM-DDThh:mm:ssZ
2	35	Section 2e - Clearing	CCP	The unique code for the CCP that has cleared the contract, in case of a contract that has been cleared.	ISO 17442 Legal Entity Identifier (LEI) 20 alphanumeric character code.
2	36	Section 2e - Clearing	Intragroup	Indicates whether the counterparty to the contract is an intragroup entity.	Y = Yes N = No
2	37	Section 2f - Interest Rates	Fixed rate of leg 1	An indication of the fixed rate leg 1 used, if applicable.	Up to 10 numerical characters including up to 5 decimals expressed as percentage where 100% is represented as "100". The decimal mark is not counted as a numerical character. If populated, it shall be represented by a dot. The negative symbol, if populated, is not counted as a numerical character.

Table	Item	Section	Field	Details to be reported	Format
2	38	Section 2f - Interest Rates	Fixed rate of leg 2	An indication of the fixed rate leg 2 used, if applicable.	Up to 10 numerical characters including up to 5 decimals expressed as percentage where 100% is represented as "100". The decimal mark is not counted as a numerical character. If populated, it shall be represented by a dot. The negative symbol, if populated, is not counted as a numerical character.
2	39	Section 2f - Interest Rates	Fixed rate day count leg 1	For leg 1 of the transaction, where applicable: day count convention (often also referred to as day count fraction or day count basis or day count method) that determines how interest payments are calculated. It is used to compute the year fraction of the calculation period, and indicates the number of days in the calculation period divided by the number of days in the year.	ISO 20022 Interest Calculation/day Count Basis. The following values will be admitted: A001 to A020 and NARR.

Table	Item	Section	Field	Details to be reported	Format
2	40	Section 2f - Interest Rates	Fixed rate day count leg 2	For leg 2 of the transaction, where applicable: day count convention (often also referred to as day count fraction or day count basis or day count method) that determines how interest payments are calculated. It is used to compute the year fraction of the calculation period, and indicates the number of days in the calculation period divided by the number of days in the year.	ISO 20022 Interest Calculation/day Count Basis. The following values will be admitted: A001 to A020 and NARR.
2	41	Section 2f - Interest Rates	Fixed rate payment frequency leg 1 –time period	Time period describing frequency of payments for the fixed rate leg 1, if applicable.	Time period describing how often the counterparties exchange payments, whereby the following abbreviations apply: Y = Year S = Semester Q = Quarter M = Month W = Week D = Day A = Ad hoc which applies when payments are irregular T = payment at term

Table	Item	Section	Field	Details to be reported	Format
2	42	Section 2f - Interest Rates	Fixed rate payment frequency leg 2 – time period	Time period describing frequency of payments for the fixed rate leg 2, if applicable.	Time period describing how often the counterparties exchange payments, whereby the following abbreviations apply: Y = Year S = Semester Q = Quarterly M = Month W = Week D = Day A = Ad hoc which applies when payments are irregular T = payment at term
2	43	Section 2f - Interest Rates	Floating rate payment frequency leg 1 – time period	Time period describing frequency of payments for the floating rate leg 1, if applicable.	Time period describing how often the counterparties exchange payments, whereby the following abbreviations apply: Y = Year S = Semester Q = Quarter M = Month W = Week D = Day

Table	Item	Section	Field	Details to be reported	Format
					A = Ad hoc which applies when payments are irregular T = payment at term
2	44	Section 2f - Interest Rates	Floating rate payment frequency leg 2 – time period	Time period describing frequency of payments for the floating rate leg 2, if applicable.	Time period describing how often the counterparties exchange payments, whereby the following abbreviations apply: Y = Year S = Semester Q = Quarterly M = Month W = Week D = Day A = Ad hoc which applies when payments are irregular T = payment at term
2	45	Section 2f - Interest Rates	Floating rate reset frequency leg 1 – time period	Time period describing frequency of floating rate leg 1 resets, if applicable.	Time period describing how often the leg 1 floating rate resets, whereby the following abbreviations apply: Y = Year S = Semester Q = Quarter

Table	Item	Section	Field	Details to be reported	Format
					M = Month W = Week D = Day A = Ad hoc which applies when payments are irregular
2	46	Section 2f - Interest Rates	Floating rate reset frequency leg 2- time period	Time period of frequency of floating rate leg 2 resets, if applicable.	Time period describing how often the leg 2 floating rate resets, whereby the following abbreviations apply: Y = Year S = Semester Q = Quarterly M = Month W = Week D = Day A = Ad hoc which applies when payments are irregular
2	47	Section 2f - Interest Rates	Floating rate of leg 1	An indication of the interest rates used which are reset at predetermined intervals by reference to a market reference rate, if applicable.	The name of the floating rate index 'EONA' - EONIA 'EONS' - EONIA SWAP 'EURI' - EURIBOR 'EUUS' - EURODOLLAR 'EUCH' - EuroSwiss 'GCFR' - GCF REPO

Table	Item	Section	Field	Details to be reported	Format
					'ISDA' - ISDAFIX 'LIBI' - LIBID 'LIBO' - LIBOR 'MAAA' – Muni AAA 'PFAN' - Pfandbriefe 'TIBO' - TIBOR 'STBO' - STIBOR 'BBSW' - BBSW 'JIBA' - JIBAR 'BUBO' - BUBOR 'CDOR' - CDOR 'CIBO' - CIBOR 'MOSP' - MOSPRIM 'NIBO' - NIBOR 'PRBO' - PRIBOR 'SAIB' - SAIBOR 'TLBO' - TELBOR 'WIBO' – WIBOR 'TREA' – Treasury 'SWAP' – SWAP 'FUSW' – Future SWAP Or up to 25 alphanumerical characters if the reference rate is not included in the above list.

Table	Item	Section	Field	Details to be reported	Format
2	48	Section 2f - Interest Rates	Floating rate of leg 2	An indication of the interest rates used which are reset at predetermined intervals by reference to a market reference rate, if applicable.	The name of the floating rate index 'EONA' - EONIA 'EONS' - EONIA SWAP 'EURI' - EURIBOR 'EUUS' - EURODOLLAR 'EUCH' - EuroSwiss 'GCFR' - GCF REPO 'ISDA' - ISDAFIX 'LIBI' - LIBID 'LIBO' - LIBOR 'MAAA' - Muni AAA 'PFAN' - Pfandbriefe 'TIBO' - TIBOR 'STBO' - STIBOR 'BBSW' - BBSW 'JIBA' - JIBAR 'BUBO' - BUBOR 'CDOR' - CDOR 'CIBO' - CIBOR 'MOSP' - MOSPRIM

Table	Item	Section	Field	Details to be reported	Format
					'NIBO' - NIBOR 'PRBO' - PRIBOR 'SAIB' - SAIBOR 'TLBO' - TELBOR 'WIBO' – WIBOR 'TREA' – Treasury 'SWAP' – SWAP 'FUSW' – Future SWAP Or up to 25 alphanumerical characters if the reference rate is not included in the above list.
2	49	Section 2g – Foreign Exchange	Delivery currency 2	The cross currency, if different from the currency of delivery	ISO 4217 Currency Code, 3 alphabetical character code
2	50	Section 2g – Foreign Exchange	Exchange rate 1	The exchange rate as of the date and time when the contract was concluded.. It shall be expressed as a price of base currency in the quoted currency. In the example 0.9426 USD/EUR, USD is the unit currency and EUR is the quoted currency; USD 1 = EUR 0.9426.	Up to ten (10) numerical digits including decimals. The decimal mark is not counted as a numerical character. If populated, it shall be represented by a dot. The negative symbol, if populated, is not counted as a numerical character.

Table	Item	Section	Field	Details to be reported	Format
2	51	Section 2g – Foreign Exchange	Forward exchange rate	Forward exchange rate as agreed between the counterparties in the contractual agreement It shall be expressed as a price of base currency in the quoted currency. In the example 0.9426 USD/EUR, USD is the unit currency and EUR is the quoted currency; USD 1 = EUR 0.9426.	Up to ten (10) numerical digits including decimals. The decimal mark is not counted as a numerical character. If populated, it shall be represented by a dot. The negative symbol, if populated, is not counted as a numerical character.

Table	Item	Section	Field	Details to be reported	Format
2	52	Section 2g – Foreign Exchange	Exchange rate basis	Currency pair and order in which the exchange rate is denominated, expressed as unit currency/quoted currency. In the example 0.9426 USD/EUR, USD is the unit currency and EUR is the quoted currency, USD 1 = EUR 0.9426.	Two ISO 4217 currency codes separated by “/”. First currency code shall indicate the base currency, and the second currency code shall indicate the quote currency.

Table	Item	Section	Field	Details to be reported	Format
	53	Section 2k - Modifications to the contract	Action type	<p>Whether the report contains:</p> <ul style="list-style-type: none"> — a derivative contract for the first time, in which case it will be identified as ‘new’; — a modification to the terms or details of a previously reported derivative contract, but not a correction of a report, in which case it will be identified as ‘modify’. This includes an update to a previous report that is showing a position in order to reflect new trades included in that position.; — a cancellation of a wrongly submitted entire report in case the contract never came into existence or was not subject to OTC derivatives regulation but was reported to a Trade Repository by mistake, in which case, it will be identified as ‘error’; — an early termination of an existing contract, in which case it will be identified as ‘early termination’; — a previously submitted report contains erroneous data fields, in which case the report correcting the erroneous data fields of the previous report shall be identified as ‘correction’; 	<p>N = New M = Modify E = Error C = Early Termination R = Correction V = Valuation update</p>

Table	Item	Section	Field	Details to be reported	Format
				— an update of a contract valuation, in which case it will be identified as ‘valuation update’;	

APPENDIX B

List of reportable life cycle events for OTC derivative transactions:

Action type	Description
New (N)	A derivative contract is entered into for the first time.
Modify (M)	A modification to the terms or details of a previously reported derivative contract, but not a correction of a report. Modifications can only affect new trades.
Error (E)	A cancellation of a wrongly submitted entire report in case, among others, the contract never came into existence or was submitted by mistake by a non-obliged counterparty.
Early Termination (C)	An early termination of an existing contract.
Correction (R)	A previously submitted report contains erroneous data fields, in which case the report correcting the erroneous data fields of the previous report.
Valuation update (V)	A daily update of a contract valuation.

Depending on the action type that is reported and populated in table 2: item 52 “*Action type*”, fields may have adopted any of the following status:

- **Mandatory (M)**: the field is strictly required and validations of format and content are applied.
- **Conditionally mandatory (C)**: the field is required if the specific conditions set out in the validation rules are met. Format and content validations are applied as well.
- **Potential (P)**: the field shall be populated if applicable depending on the transaction characteristics or to the reported life cycle event (for modifications and or corrections all fields, except those that are mandatory regardless the reported life cycle event, could potentially be modified or corrected and therefore populated). Only format and content validations are applied when the field is populated.
- **Not relevant (-)**: the field shall be left blank.

List of life cycle events reporting scenarios for OTC derivative transactions:

1. Submission of a new trade with no available "Unique trade ID" generated by the international generating entity

In cases of a transaction between a KSA Bank and a foreign counterparty, if at the regulatory deadline to submit a new trade (T+1), table 2 item 15 "Unique trade ID" is not informed by the international generating entity, the field can be provisionally left blank. In such cases, once the Trade ID is informed, a Modification report (table 2 item 53 "Action type" populated with "M") must be submitted by the reporting counterparty in order to populate the "Unique trade ID" informed by the international generating entity.

2. Modifications to the terms of a contract

When both counterparties agree to modify any of the terms of an OTC derivative contract, the reporting counterparty shall submit a modification report (table 2 item 53 "Action type" populated with the value "M") in which, besides additional applicable validation rules described in this document, table 2 item 14 "Internal unique trade ID" shall be populated with a code that is fully coincident with a previously reported "Internal unique trade ID". The "Internal unique trade ID" cannot be subject to modification.

In cases where the aim of the modification is to turn blank a previously populated field, the field in question shall be populated with the value "null".

3. Novations

For reporting purposes, in cases of novations to the original report relating to the existing derivative, the reporting counterparty should send a termination report (table 2 item 53 "Action type" populated with the value "C"). The reporting counterparty should then send a new report with table 2 item 53 "Action type" populated with the value "N" relating to the new derivative contract arisen from the novation.

This is applicable to trades that are novated for the purpose of clearing a certain trade in a CCP. In such case, the original trade (pre-novation) shall be reported in T+1 with table 2 item 53 "Action type" populated with the value "N" and once it is novated the reporting counterparty should send a termination report (table 2 item 53 "Action type" populated with the value "C") and submit a new report with table 2 item 53 "Action type" populated with the value "N" relating to the new derivative contract arisen from the novation. In the case that the novation takes place before T+1, the reporting counterparty shall only submit a single report (post-novation) with table 2 item 53 "Action type" populated with the value "N" and table 1 item 2 "ID of the other Counterparty" populated with the LEI of the CCP.

4. Detection of an error in an already submitted report

If the reporting counterparty (or the other counterparty upon communication to the reporting counterparty) detects that a report (no matter its nature or “Action type”) was submitted by error, the reporting counterparty is required to submit an error report (table 2 item 53 “Action type” populated with the value “E”) in order to eliminate the erroneous report. Besides mandatory fields described in the first bullet of this paragraph, table 2 item 14 “Internal unique trade ID” shall be populated with a code that is fully coincident with a previously reported “Internal unique trade ID”.

5. Submission of an early termination report

In the case that a trade ends before reaching its original maturity date, the reporting counterparty shall submit an early termination report (table 2 item 53 “Action type” populated with value C”). Besides mandatory fields described in bullet 1 of this paragraph, table 2 item 27 “Early termination date” shall be populated. Furthermore, table 2 item 14 “Internal unique trade ID” shall be populated with a code that is fully coincident with a previously reported “Internal unique trade ID”. The “Internal unique trade ID” cannot be subject to correction.

6. Notional increase or decrease

For reporting purposes, in the event of an increase or decrease in the notional amount of an existing contract (partial termination but not fully close-out), the reporting counterparty shall submit a modification report (table 2 item 53 “Action type” populated with the value “M”) modifying the “Notional” (table 2 item 19).

7. Correction of a previously submitted report

If the reporting counterparty (or the other counterparty upon communication to the reporting counterparty) detects an incorrectly reported field, the reporting counterparty shall submit a correction report (table 2: item 53 “Action type” populated with the value “R”) in which, besides additional applicable validation rules described in this document, Table 2 item 14 “Internal unique trade ID” shall be populated with a code that is fully coincident with a previously reported “Internal unique trade ID”. Only mandatory and the corrected fields shall be populated.

8. Valuation update

Valuation update reports shall be submitted on a daily basis. Besides additional applicable validation rules described throughout this document, Table 2 item 14 “Internal unique trade

ID” shall be populated with a code that is fully coincident with a previously reported “Internal unique trade ID”.

9. FX Overnight trades

FX spot (D+2) and FX overnight trades (D+1) are not considered OTC derivatives, so they are not required to be reported.

10. Backloading requirement for reporting entities

In order to meet regulatory needs and to reduce the substantial and costly adjustments that reporting entities need to make to comply with the backloading requirement, OTC derivatives transactions on IR and CU asset classes that are still outstanding at the date when the reporting obligation comes into force (January 1st 2020) will need to be submitted through new reports (table 2 item 53 “Action type” populated with value “N”) until March 31st 2020 (including those which maturity date falls between December 31st 2019 and March 31st 2020). After the submission of each new report, the updated valuation of the contract (table 2 item 53 “Action type” populated with value “V”) should start to be reported on a daily basis as well. Please see applicable rules described in section 2.3 of this document in order to identify the counterparty of the transaction that is subject to the reporting-backloading obligation for each legacy trade.

OTC derivative trades whose maturity date had been reached before December 31st 2019, will not be subject to the backloading obligation.

11. Reporting of Waad OTC derivatives

"Arbun" derivatives should be identified and reported like a call/put option.

Any Waad OTC derivative must be reported to SATR on the agreement date as a Forward, informing about the expected “effective date”, “settlement date” and “expiration date”. If the transaction is not to be settled an early termination (“C”) event must be reported as soon as the reporting counterparty is certain of it. If the transaction is finally settled but with a different “effective date”, “settlement date” or “expiration date” or any other previously reported field, a modification (“M”) event must be reported.

APPENDIX C

The following rules are required to be defined in order to identify the counterparty that is subject to the reporting obligation in the different types of transactions to be reported:

- Local financial counterparty vs Local non-financial counterparty: Under the assumption that one of the counterparties is categorized as a non-financial counterparty, the financial counterparty of the transaction shall be responsible of submitting the transaction report.
- Local financial counterparty vs International financial counterparty / Qualified Non-financial counterparty: Under the assumption that the other counterparty is an international financial counterparty or international qualified non-financial counterparty, the local financial counterparty shall be subject to the local reporting obligation. The international counterparty will report to its competent authority depending on its home jurisdiction requirements.
- Local financial counterparty vs CCP: If a transaction is novated from an OTC transaction to a CCP, the local financial counterparty shall be subject to the local reporting obligation, provided that the original transaction was reportable;
Local financial counterparty vs Local financial counterparty: Under the assumption that both counterparties are categorized as financial counterparties established in Saudi Arabia, both of them will be responsible of submitting its own report, in which it should properly be identified one counterparty as the seller and the other as the buyer in accordance to what is reflected in the OTC derivative contract agreed between both counterparties or otherwise in accordance to the agreement reached between counterparties at the moment of execution of the trade. In the event that both counterparties identify themselves as the seller of the transaction and assuming that both reports are submitted with the same Internal Unique Trade ID (Table 2 Item 14), the TR will not accept the second report received from one of the counterparties and will submit to this entity an error, in which it will be indicated that the report has already been submitted by another counterparty.
- In intragroup transactions the reporting entity will always be the obliged entity unless both intragroup counterparties are obliged in which case the aforementioned rules would be applicable.