



BANK OF ENGLAND

Sterling Money Market Data Collection

Reporting Instructions

For Form SMMA

Version 2.4

February 2019

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Document version and change control

Version no.	Date applicable	Change log
2.0	1 July 2016	Separation into three separate documents: each outlining the instructions for reporting the three forms for Sterling Money Markets Data collection: Forms SMMA, SMMH and SMMD.
2.1	20 October 2016	Amendment to delivery arrangements.
2.2	08 June 2018	Privacy notice added.
2.3	10 January 2019	Reflecting changes to Form SMMH.
2.4	28 February 2019	Minor updates to sections 2.2 and 3.3 in anticipation of the UK's planned withdrawal from the EU.

1. Introduction and purpose

1.1. Purpose of the Sterling Money Market data collections

The Bank of England's analysis of monetary and financial conditions is a key input to the Monetary Policy Committee's and Financial Policy Committee's policy decisions. An important component of that analysis is an assessment of conditions in sterling money markets – where short-term wholesale borrowing and lending takes place.

In order to secure and improve the information available to it on conditions in sterling money markets, the Bank collects money market data from banks, building societies and major investment firms on their secured and unsecured sterling money market activity.

This information provides the Bank with a better understanding of developments in short-term interest rates, benefiting the Bank's analysis of both monetary and financial conditions. It also provides a richer picture of activity in the sterling money market, enabling the Bank to better assess overall market effectiveness.

In addition, the Bank will use a subset of these data – those which relate to transactions in overnight unsecured money market – to form the basis of a reformed SONIA benchmark interest rate, from mid-2017.

The information is collected by the Bank exercising its statutory powers under the Bank of England Act 1998. More information can be found in section 1(a) of the General Notes and Definitions, which apply to all forms contained in the Statistical "Yellow Folder", available at: https://www.bankofengland.co.uk/-/media/boe/files/statistics/data-collection/def_gene2014.pdf

1.2. Structure of the Sterling Money Market data collections

The Sterling Money Market (SMM) data collection comprises three parts: the daily Form SMMD, and two annual Forms, SMMA and SMMH, summarised below.

The primary component of the collection is Form SMMD. This is a daily, transaction-level, collection, covering the most significant segments of the sterling money markets.

In order to ensure that reporting burdens are proportionate to the levels of activity in sterling money markets, Form SMMA, an annual return, is used to identify who are the most active participants in the key money market segments, and thus required to report Form SMMD.

Form SMMH, a semi-annual return, enables the Bank to monitor activity in those segments of the sterling money markets not covered by Form SMMD; to the extent an increase in use of a particular segment is observed via Form SMMH, the Bank may decide to include that market segment in future reporting of Forms SMMA and SMMD.

Form	Description
Form SMMA	An annual return, summarising gross turnover and the number of transactions in the key sterling money markets, over the previous year.

Form SMMD	A daily return containing transaction-level data on the key sterling money markets.
Form SMMH	A semi-annual return, requiring responses to a set of qualitative questions related to market functioning and activity in sterling money markets not covered by Form SMMD.

This document provides instructions for institutions reporting Form SMMA. It describes the population of institutions who will be required to report Form SMMA, on what frequency, the detailed definitions of the fields required and how it is to be reported.

1.3. Structure of the document

The remainder of this document is arranged as follows:

- Section 2 defines the reporting population for Form SMMA and the institutional arrangements for reporting.
- Section 3 defines the scope of qualifying money market transactions, including maturities and counterparties.
- Section 4 outlines the fields and definitions for Form SMMA.
- Section 5 details the arrangements for the transmission of data.

1.4. Changes to the document and points of contact with queries

This document may be updated from time-to-time, for example, as the Bank's policy in respect of collecting money market data develops. This may not necessarily impact reporting requirements unless mandatory fields are introduced. Where the Bank intends to make material changes to the reporting framework, it will endeavour to consult with affected institutions, which will also be notified by the Bank of any changes.

In the event of queries related to transmission arrangements queries, please email SMMReporting@bankofengland.co.uk

In the event of requests for clarification regarding the definitional aspects of this document, please email sterlingdepositrates@bankofengland.co.uk.

The Bank has produced a Frequently Asked Questions document related to the suite of Sterling Money Market data collections, which is regularly updated. It is available at:

https://www.bankofengland.co.uk/-/media/boe/files/statistics/data-collection/smm/smm_faq.pdf

2. Reporting population

This section outlines the precise definitions of the population of institutions that will be required to report money market activity to the Bank across the three returns.

2.1. Institutions required to report Form SMMA

In order to ensure the greatest coverage of activity in sterling money markets, the set of legal entities captured within the reporting population for Form SMMA is defined as:

- all banks incorporated in the UK¹;
- all banks incorporated outside the UK authorised to accept deposits through a branch in the UK;
- building societies; and
- major investment firms – PRA-designated investment firms.

Institutions that have completed Form SMMD throughout the calendar year will not be required to complete Form SMMA for the market segment(s) which their daily returns cover. For example, an institution which has reported transaction-level data under Form SMMD for the secured money market over the whole of 2016 will not be required to report the secured section of Form SMMA covering 2016.

2.2. Institutional arrangements for reporting

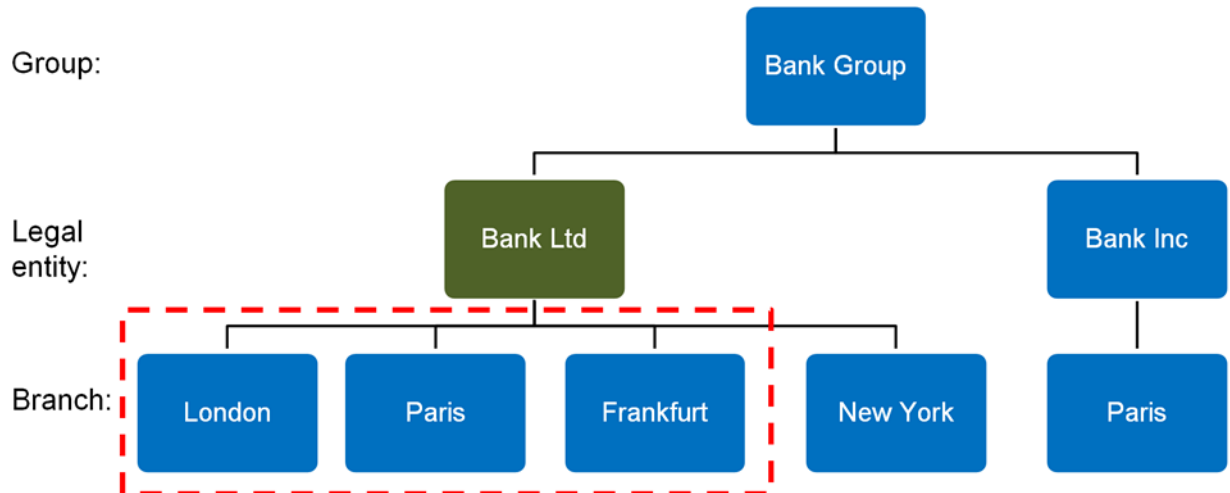
The reporting of money market data will take place at legal entity level, rather than a consolidated group level, for all institutions. Different legal entities that are part of the same banking group, if included in the list of institutions in the reporting population, will be required to report separately.

Reporting will include all transactions conducted in the money market, booked by the legal entity of the reporting institution, or by any branches of the legal entity located in the UK or European Economic Area (EEA). The qualifying principle for reporting is the location where the transactions are booked and not where the transactions are originated or executed. At the reporting institution's discretion, they can also report trades booked to non-UK or non-EEA branches.

As an example, **Figure 1** below shows an illustrative banking group structure where both Bank Ltd and Bank Inc. legal entities are incorporated outside the UK. The Bank Ltd legal entity would be captured as a bank incorporated outside the UK authorised to accept deposits through a branch in the UK. Transactions booked to the UK and EEA-located head office/branches of Bank Ltd should therefore be reported i.e. London, Paris and Frankfurt. It would be at the discretion of Bank Ltd as to whether to report applicable transactions booked at its New York branch. No transactions booked to Bank Inc. should be reported.

¹ List found here: <https://www.bankofengland.co.uk/prudential-regulation/authorisations/which-firms-does-the-pra-regulate>

Figure 1 – Example reporting institution and qualifying transactions



Only trades transacted in the sterling money market where the individual legal entity acts as principal should be reported. Money market trades associated with the provision of custodial services and stock lending programmes should only be included where the reporting institution acts as principal in the transaction.

3. Scope of reporting

This section outlines the scope of the transactions to be included. It specifies the types of transactions to be captured in both the secured and unsecured money market segments, as well as detailing the relevant maturity periods and counterparties to relevant transactions.

3.1. Money market segments

The money market reporting is broken down into two segments, defined as follows:

3.1.1. Secured money market

The secured money market includes all secured borrowing and lending of sterling cash, accepted from participants classified as 'wholesale' (see below). Transactions should include repo, reverse repo, sell/buy-back and buy/sell-back agreements.

Transactions where the nominal amount of cash borrowed/lent is below £1million should be excluded.

Only secured sterling-denominated transactions where the collateral would be eligible to be included in the Unstripped British Government Stock DBV class², in either single-, multi-line or pooled collateral baskets, should be reported. Specifically, when secured against:

- unstripped gilts;
- sterling Treasury Bills;
- sterling-denominated Bank of England bills (when in issue).

In addition, for transactions entered into under triparty repo agreements, all transactions where sterling cash is borrowed or lent, secured against baskets of any UBG-DBV eligible collateral, should be reported.

3.1.2. Unsecured money market

The unsecured money market includes all negotiated cash deposit transactions (borrowing-only) denominated in sterling, accepted from participants classified as 'wholesale' (see below).

Transactions with a nominal size below £1million should be excluded.

Balances held in call and/or nostro accounts, or cash raised through the issuance of short term money market instruments – such as certificates of deposit or commercial paper – should be excluded.

3.2. Maturity coverage

Only transactions with an original maturity of up to and including one year – i.e. 375 calendar days - should be included. The maturity of transactions is determined by the number of days between the settlement date and the final maturity date, even if that settlement date falls outside the reporting period.

² N.B. although the range of collateral is defined by reference to the UBG-DBV category, all borrowing and lending secured against these collateral types should be included, rather than just DBV repo transactions.

Overnight transactions are defined as having an original maturity of the transaction as one London business day, with the same trade and settlement date. This should include open-ended or rolling transactions (e.g. rolling overnight DBV repo).

For open-ended or rolling transactions, each time the transaction rolls should be considered as a new transaction.

Forward-starting trades should be included when agreed up to one year in advance of settlement.

3.3. Relevant counterparties to transactions

Transactions to be included are those conducted by the reporting institution with 'wholesale' market participants. This includes: other monetary financial institutions (MFIs), other financial corporations, insurance corporations, pension funds, central and local government or central banks for investment purposes, non-financial corporations and any other counterparty not classified as retail or SME, according to the Basel III Liquidity Coverage Ratio framework as implemented by the nationalised version of the Capital Requirements Regulation.³

Intra-group transactions should be excluded. Examples include:

- trades that are executed as back-to-back deals;
- trades to facilitate internal bookkeeping and internal risk management within a given institution or banking group;
- internal trades between desks and offices of the reporting institution;
- trades with other subsidiaries within the same group.

All transactions undertaken as part of the Bank of England's Sterling Monetary Framework, or transactions generated as part of payment system functioning (such as auto-collateralising repos in CREST, or intraday liquidity in RTGS) should also be excluded.

³ See point (8) of Article 3 of the nationalised version of the Commission Delegated Regulation (EU) 2015/61

4. Field definitions and specifications

4.1. Field definitions

This section outlines the relevant definitions and specifications for all reporting institutions in completing Form SMMA.

Institutions should report the value of turnover and the number of transactions executed in the sterling secured and unsecured money market segments, as defined in Section 3.1.1 and Section 3.1.2, respectively. For secured markets, cash borrowing (repo) and cash lending (reverse repo), gross figures should be reported separately.

Institutions should report the turnover value and the number of transactions aggregated across all maturities; that is, from (and including) overnight and up to one year maturity. Separately, institutions should report the turnover value and number of transactions conducted with an overnight maturity only, within this aggregate, where overnight maturity is defined in Section 3.2.

Turnover value is defined as the gross value, in terms of sterling cash nominal amounts, of all relevant transactions where the trade execution date falls within the survey period.

Transactions related to the roll-over of previous positions (including evergreen deals) should also be reported as new activity where the rolled-over trade execution date falls within the reporting period.

Turnover value should be recorded units of pounds sterling.

An illustrative template return for Form SMMA is available in **Annex 1**.

5. Reporting requirements and transmission arrangements

This section outlines the requirements and transmission arrangements for all reporting institutions in completing the annual money market return, Form SMMA.

5.1. Notification and timeliness

All institutions required to complete this return will be contacted by the Bank via email in November each year. Those institutions that have completed the daily return (Form SMMD), throughout the calendar year, will not be required to complete the annual form for the relevant market segment, since the required information will have been provided through their daily submissions.

Reporting institutions will be required to complete the return once per year. Where there are no relevant transactions, nil return forms are required. The relevant reporting period for the return will be all transactions executed over the period of one calendar year, from 2 January to 31 December.

Institutions will have one month to complete and deliver the return to the Bank, following the end of the reporting period. The deadline for completing and delivering the return to the Bank will be 31 January, each year.

5.2. Delivery arrangements

Data is to be delivered to SMMAnnual@bankofengland.co.uk via one of the following methods of secure email: TLS, PGP, or PGP Online Messenger. Please contact SMMReporting@bankofengland.co.uk if you require secure email to be set up.

5.3. Privacy Notice

How we use your information - This notice only covers the information you submit to us for the purpose of being able to communicate with you regarding the SMMA form. If you are unable to locate a relevant notice or would like to find out more, you can get in touch via our website at www.bankofengland.co.uk/privacy

Information we collect – Through your engagement with us, the Bank of England ('we' or the 'Bank') collects personal data about you. This information includes your name and business contact information.

Why we need your personal data - We collect your personal data to be able to communicate with you. The processing of your personal data is necessary for the performance of a task carried out in the public interest or in the exercise of official authority of the Bank. That is, to support the financial stability of the UK

What we do with your personal data – We use your data to be able to communicate with you regarding the SMMA form.

Your rights - You have a number of rights under data protection laws (for example, you have the right to ask us for a copy of the personal data the Bank holds about you). This is known as

a 'Subject Access Request'. You can ask us to change how we process or deal with your personal data, and you may also have the right in some circumstances to have your personal data amended or deleted.

To find out more about those rights, to make a complaint, or to contact our Data Protection Officer, please see our website at bankofengland.co.uk/privacy

Annex 1 – Template return and validation rules

Below is an illustrative template return for Form SMMA.

		All maturities up to one year		Overnight maturities only	
		Total turnover value (£)	No. of transactions	Total turnover value (£)	No. of transactions
Unsecured money market (borrowing only)		1a	1b	1c	1d
Secured money market	Cash borrowing (repo, sell/buy back)	2a	2b	2c	2d
	Cash lending (reverse repo, buy/sell back)	3a	3b	3c	3d

The applicable validation rules are as follows: Each cell must be completed with a number, or left blank.

Cell	Rules
1a	- must be greater than or equal to 1c - must be greater than or equal to 1,000,000
1b	- must be greater than or equal to 1d - must be greater than zero
1c	- must be less than or equal to 1a - must be greater than or equal to 1,000,000
1d	- must be less than or equal to 1b - must be greater than zero
All row 1	- 1a/1b must be greater than or equal to 1c/1d - 1a/1b must be greater than or equal to 1,000,000 - 1c/1d must be greater than or equal to 1,000,000
2a	- must be greater than or equal to 2c - must be greater than or equal to 1,000,000
2b	- must be greater than or equal to 2d - must be greater than zero

2c	<ul style="list-style-type: none"> - must be less than or equal to 2a - must be greater than or equal to 1,000,000
2d	<ul style="list-style-type: none"> - must be less than or equal to 2b - must be greater than zero
All row 2	<ul style="list-style-type: none"> - $2a/2b$ must be greater than or equal to $2c/2d$ - $2a/2b$ must be greater than or equal to 1,000,000 - $2c/2d$ must be greater than or equal to 1,000,000
3a	<ul style="list-style-type: none"> - must be greater than or equal to 3c - must be greater than or equal to 1,000,000
3b	<ul style="list-style-type: none"> - must be greater than or equal to 3d - must be greater than zero
3c	<ul style="list-style-type: none"> - must be less than or equal to 3a - must be greater than or equal to 1,000,000
3d	<ul style="list-style-type: none"> - must be less than or equal to 3b - must be greater than zero
All row 3	<ul style="list-style-type: none"> - $3a/3b$ must be greater than or equal to $3c/3d$ - $3a/3b$ must be greater than or equal to 1,000,000 - $3c/3d$ must be greater than or equal to 1,000,000