

<b>Question ID</b>	2014_1171
<b>Status</b>	Final Q&A
<b>Legal act</b>	Regulation (EU) No 575/2013 (CRR)
<b>Topic</b>	Market risk
<b>Article</b>	352
<b>Paragraph</b>	1
<b>Subparagraph</b>	-
<b>COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations</b>	Not applicable
<b>Article/Paragraph</b>	NA
<b>Date of submission</b>	09/05/2014
<b>Published as Final Q&amp;A</b>	12/09/2014
<b>Disclose name of institution / entity</b>	No
<b>Type of submitter</b>	Other
<b>Subject matter</b>	Calculation of foreign exchange position for non-FX derivatives denominated in foreign currency
<b>Question</b>	Should non-FX derivatives denominated in foreign currency be treated as cash position or net forward position? Should it be treated in market value (as showed in balance sheet) or like FX swaps in principal amount (as showed in off-balance sheet)?
<b>Background on the question</b>	Article 352 of Regulation (EU) No 575/2013 (CRR) requires institutions to calculate net open position in each currency for both net spot and net forward position. It is not clear how we should calculate position for instrument which have non-zero value in both balance and off-balance sheet.
<b>Final answer</b>	<p><i>Note: As of 29 11 2019 the answer to this question has been repealed. For guidance on the issue in question please refer to <a href="#">Q&amp;A 3137</a></i></p> <p><del>To ensure coherence between the calculation of positions for options and for other derivatives, non-FX derivatives denominated in a foreign currency should be treated as a cash position in the underlying's base currency, equal to the market value of the underlying, as per the treatment for 'other options' referred to in Article 352(1)(e) of Regulation (EU) No 575/2013.</del></p>

<b>Link</b>	<a href="https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2014_117">https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2014_117</a> 1
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