

**Supporting Statement for the
Central Bank Survey of Foreign Exchange and Derivatives Market Activity
(FR 3036; OMB No. 7100-0285)**

Summary

The Board of Governors of the Federal Reserve System (Board), under authority delegated by the Office of Management and Budget (OMB), has extended for three years, with revision, the Central Bank Survey of Foreign Exchange and Derivatives Market Activity (FR 3036; OMB No. 7100-0285). The FR 3036 is a component of the U.S. portion of a global data collection that is conducted by central banks once every three years and captures information relating to the volume of foreign exchange (FX) transactions. The Bank for International Settlements (BIS), of which the Board is a member, compiles aggregate national data from each central bank to produce and publish global market statistics. More than 50 central banks plan to conduct this global data collection (the BIS survey) in 2025 (the 2025 Survey). Aggregated data from the FR 3036 is compiled and forwarded to the BIS, which uses the data to produce and publish these statistics. The FR 3036 is voluntary; respondents are not required to participate in the information collection.

The BIS survey has two parts: a turnover (volume of transactions) survey and a derivatives outstanding survey. The Board revised the FR 3036, the turnover portion of the BIS survey, to incorporate clearer guidance on what is reportable vs non-reportable turnover. Further clarifying language has also been included regarding non-market facing trades, namely related-party and back-to-back trades, as well as expanding the reporting granularity in these categories for a limited number of currencies (USD, EUR, JPY) in both FX and interest rate derivatives.

Also, the Board added a new FX settlement risk schedule, replacing the revisions incorporated in 2022. The BIS's 2025 Survey FX settlement guidelines (which we will reference) differ from those in 2022 in that the reporting methodology has been streamlined on a global group basis, whereby the reporting dealers submit settlement data that includes majority owned subsidiaries and branches both at home and abroad. The data now include the value of all deliverable two-way trades settled by the legal entities pertaining to the reporting dealer that conduct active business with large customers. Under the new methodology, reporting dealers will be submitting consolidated settlement data only to the jurisdiction where they are headquartered, and accordingly, only reporting dealers headquartered in the U.S. will be required to submit settlement data to the Federal Reserve. Additional changes to the reporting guidelines are also included. The effective date of these revisions would be April 2025.

The current estimated total annual burden for the FR 3036 is 1,365 hours, and would increase to 1,458 hours. The revisions would result in an increase of 93 hours. The form and instructions are available on the Board's public website at <https://www.federalreserve.gov/apps/reportingforms>.

Background and Justification

The BIS survey is a comprehensive source of global information on the volume of FX and derivatives trading and, as such, is useful to the Federal Reserve System and other government agencies in understanding market developments and trends, particularly with respect to the U.S. dollar. The data provide the Manager of the Federal Reserve System Open Market Account, among others, with information for analyzing market developments and conducting Federal Reserve and U.S. Treasury FX operations. Survey data are also used by market participants to gain data on the market that is not available from firm-level data. Academics and the general public also use the survey's data for research and analysis.

The FR 3036 covers only the turnover portion of the BIS survey and is collected during the month of April. The derivatives outstanding portion of the BIS survey is covered by the June 2025 Semiannual Report of Derivatives Activity (FR 2436; OMB 7100-0286).

This information collected by the FR 3036 is not available from other sources. The collection is part of a global effort that includes the contributions of over 50 central banks. The Federal Reserve System, in its role to monitor and analyze global financial market developments, relies on such data to support its monitoring efforts. Given the importance of the U.S. dollar in global markets, there would be a global reporting impact to the 2025 Survey in the circumstance where the Federal Reserve System would elect not to participate in the collection.

Description of Information Collection

The FR 3036 survey will collect information on the size and structure of the FX and over-the-counter (OTC) derivatives markets. It is submitted to the Federal Reserve Bank of New York (FRBNY). The survey will cover the turnover in the FX market on Tables A1-A6 (spot, forwards, FX swaps, currency swaps, and OTC options) and table A7 (FX settlement), and in interest rate derivatives markets on Tables B1-B2 (forward rate agreements, overnight index swaps, other interest rate swaps, and OTC options).

Notional amounts of FX turnover (Tables A1, A2, A3, A4, A5, and A6). Respondents should report the notional value of FX turnover in the given month for 21 major U.S. dollar currency pairs, 12 major non-dollar Euro pairings, and six major non-dollar Yen pairings. Residual columns for non-specified currency pairs are also collected for an additional 37 specified foreign currencies.

Notional amounts of settlement of FX transactions (Table A7). Respondents report the notional value of FX transactions settled during the month.

Notional amounts of single currency interest rate derivatives (Tables B1 and B2). Respondents should report the notional value of single currency interest rate derivatives turnover in April 2025 for the U.S. dollar and 39 additional currencies. A residual column for turnover in non-specified currencies is also collected.

Additional detail. The tables above collect the following additional detail on the notional amounts of turnover in the given month:

Product types: FX spot, outright forwards, FX swaps, currency swaps, and sum of bought and sold OTC FX options (Tables A1, A2, A3, A4, A5, and A6); forward rate agreements, overnight indexed swaps, other interest rate swaps, and OTC interest rate options (Tables B1 and B2).

Counterparty types: Reporting dealers, other financial institutions, and non-financial customers. Counterparties are further broken out into local and cross-border. For FX turnover (Tables A1, A2, A3, A4, A5, and A6), other financial institutions are further broken out into (1) non-reporting banks, (2) institutional investors, (3) hedge funds and proprietary trading firms, (4) official sector financial institutions, (5) others, and (6) undistributed.

Prime brokerage: Total FX turnover for each product type (Tables A1, A2, A3, A4, A5, and A6) collects a memorandum item, “of which prime brokered”, to capture turnover conducted through a dealer’s prime brokerage accounts. Prime brokers are institutions facilitating trades for their clients (often institutional funds, hedge funds and other proprietary trading firms). Prime brokers enable their clients to conduct trades with a group of predetermined third-party banks in the prime broker’s name. These transactions have accounted for a large part of the growth in FX turnover in recent years.

Retail turnover: Total FX turnover for each product type (Tables A1, A2, A3, A4, A5, and A6) collects a memorandum item, “of which retail-driven”, to capture turnover associated with retail clients. Retail-driven transactions are defined as reporting dealers’ transactions with “wholesale” financial counterparties that cater to retail investors and direct transactions with “non-wholesale” investors. In recent years, retail investors have increased their participation in the FX market, facilitated by internet-based trading platforms.

Non-deliverable forwards: Total turnover in FX outright forwards (Tables A1, A2, and A3) collects a memorandum item, “of which non-deliverable forwards” (NDF), to capture turnover in six major U.S. dollar currency pairs (USD/BRL, USD/CNY, USD/INR, USD/KRW, USD/RUB and USD/TWD) with significant non-deliverable forward turnover. Turnover in NDF for other less well-traded pairs will also be captured in aggregate. NDF differ from deliverable forwards in that there is no physical delivery of the two underlying currencies at maturity and instead are settled in cash.

Non-market facing trades: Total turnover in FX spot (Table A2) collects a grand total in “o/w back-to-back trades”. Turnover in FX outright forwards, FX swaps, currency swaps, OTC options, other products, and total FX contracts (Tables A2 and A5), as well as turnover in forward rate agreements, overnight indexed swaps, other swaps, total OTC options, other products and total interest rate contracts (Tables B1 and B2) collects a grand total in “o/w back-to-back trades” and “o/w compression trades”.

Original maturities: Total turnover in FX outright forwards and FX swaps capture original maturities according to the following maturity bands (1) one day, (2) over one day and

up to seven days, (3) over seven days and up to one month, (4) over one month and up to 3 months, (5) over 3 months and up to 6 months, and (6) over six months.

Execution method for FX contracts (Table C2). The survey includes the execution method used for transacting FX contracts reported on Tables A1-A6 (spot, forward, swaps, and options) and the associated counterparty (reporting dealers, other financial institutions, and non-financial customers). Execution is currently reported as (1) Voice Direct, (2) Voice Indirect, (3) Electronic Direct single-bank proprietary trading system, (4) Electronic Direct Other, (5) Electronic Indirect Anonymous Venues, (6) Electronic Indirect Disclosed Venues and (7) Unallocated (for turnover that fails to be allocated into one of the aforementioned execution method categories).

The Board understands that respondents use information technology to comply with the provisions of FR 3036, including submitting the survey using the Reporting Central application.

Respondent Panel

The FR 3036 panel comprises large commercial banks, brokers and dealers, and U.S. offices of foreign banking offices with dealing operations in the United States. Respondents were identified for the survey based on their participation in another survey, the Survey of North American Foreign Exchange Volume, which is conducted by the FRBNY in collaboration with the New York Foreign Exchange Committee (FXC), an industry trade group sponsored by the FRBNY.

Frequency and Time Schedule

The FR 3036 is submitted every three years. Reporting includes all trading conducted during the month of April 2025, with the data due in June 2025. The choice of April for Turnover data continues the practice of previous surveys. April was selected to avoid strong seasonal effects in the foreign exchange market at other times of the year. In addition, April is the month other central banks will be conducting their surveys and adoption of this date is critical for the aggregation of consistent global statistics.

Proposed Revisions to the FR 3036

The Board proposes to 1) provide clearer guidance on what is reportable turnover (explicit exclusion of intra-dealer trades), 2) add breakdown by currency totals (USD/EUR/JPY) and instrument (Forwards and Swaps) for ‘o/w related party trades’ in both Foreign Exchange Contracts and Interest Rate Derivatives in Tables A1, A2, A4, B1 and B2, and 3) add breakdown by currency totals (USD/EUR/JPY) for all instruments for ‘o/w back-to-back trades’ in both Foreign Exchange Contracts and Interest Rate Derivatives in Tables A1, A2, A4, A5, B1 and B2.

The proposed changes would provide insight into an important facet of the FX market that examines specific trading relationships and would be particularly valuable to the Board and other data users given that both transaction types have been cited by reporting dealers to comprise an increasing share of market turnover. The 2025 Survey introduces a limited currency

and instrument breakdown for related party trades to better separate “market facing” turnover with customers across various breakdowns. The breakdown is also applied to back-to-back trades in order to maintain consistency in reporting and better monitor the first-time transfer of risk of the original trade. These proposed line items were circulated to a selection of reporting dealers and, based on feedback received, have been modified to ensure a more limited impact on respondent burden.

The Board also proposes a more significant addition in the form of a revised Settlement of FX Transactions schedule (Table A7. Settlement of Foreign Exchange Transactions) to collect information on FX settlement, including a breakdown by counterparty and settlement method. The new schedule would enable the Federal Reserve to more accurately monitor FX settlement risk. Understanding settlement risk furthers the Federal Reserve’s ability to monitor financial stability in global markets, conduct Federal Reserve and U.S. Treasury FX operations, supply international dollar liquidity through facilities operated by the Federal Reserve, and contribute to the BIS’s efforts to publish global statistics. The newly proposed reporting methodology developed in collaboration with the FXC and BIS Committee on Payments and Market Infrastructure aims to improve the monitoring of FX settlement risk mitigants and their application.

The Board proposes to revise the FR 3036 instructions to be more in alignment with the BIS’s revamped 2025 Survey FX settlement guidelines. The proposed instructions will provide more examples and clarification for respondents. Many respondents file this survey in multiple jurisdictions; aligning more closely with BIS guidelines is designed to ease completion of the data for respondents across their multiple survey submissions. The reorganization of instructions also allows the Board to more efficiently track updates when BIS revises the guidelines again.

Public Availability of Data

Aggregated market totals from the survey are published in a data release by the FRBNY in the fall of 2025 and will also be provided to the BIS for its published report on global trading.

Legal Status

The FR 3036 is authorized pursuant to sections 2A and 12A of the Federal Reserve Act (FRA). Section 2A of the FRA requires that the Board and the Federal Open Market Committee (FOMC) maintain long-run growth of the monetary and credit aggregates commensurate with the economy’s long run potential to increase production, so as to promote effectively the goals of maximum employment, stable prices, and moderate long-term interest rates (12 U.S.C. § 225a). Under section 12A of the FRA, the FOMC is required to implement regulations relating to the open market operations conducted by Federal Reserve Banks. Those transactions must be governed with a view to accommodating commerce and business and with regard to their bearing upon the general credit situation of the country (12 U.S.C. § 263). The Board and the FOMC use the information obtained from the FR 3036 to help fulfill these obligations. The FR 3036 is voluntary.

Individual firm information collected on the FR 3036 is considered confidential because it constitutes nonpublic commercial or financial information, which is both customarily and actually treated as private by the respondent. Therefore, this information may be kept confidential under exemption 4 of the Freedom of Information Act, which exempts “trade secrets and commercial or financial information obtained from a person and privileged or confidential” (5 U.S.C. § 552(b)(4)). If it should be determined that any information collected on the FR 3036 must be released, other than in the aggregate in ways that will not reveal the amounts reported by any one institution, respondents will be notified. Aggregated FR 3036 data is compiled and forwarded to the BIS, which publishes global market statistics that are aggregates of national data from the Federal Reserve and other central banks.

Consultation Outside the Agency

This survey is being coordinated by the BIS with other participating central banks. In particular, the Bank of England along with the BIS surveyed and solicited feedback from its list of reporting dealers on proposed line items additions as well as changes to the settlement portion for multiple prior reporting periods.

Public Comments

On December 23, 2024, the Board published an initial notice in the *Federal Register* (89 FR 104539) requesting public comment for 60 days on the extension, with revision, of the FR 3036. The comment period for this notice expired on February 21, 2025. The Board received one comment. The commenter argues that the FR 3036 does not provide timely data for assessing rapidly evolving risks, such as those arising from replying in derivative swaps and the accumulation of off-balance-sheet debt. The Board believes that the triennial cadence and scope of the survey, considered in conjunction with other data available to the Federal Reserve, strike an appropriate balance between the purposes of the survey (understanding market developments and trends and contributing to the BIS’s effort to publish aggregate global statistics) and the burden on respondents. The commenter also asks the Board to adopt compulsory real-time capture of foreign exchange transactions and associated stress testing and scenario analysis to preserve the market’s integrity under Generally Accepted Accounting Principles. The Board considers this request outside the scope of the proposal. The Board adopted the extension, with revision, of the FR 3036 as originally proposed. On April 30, 2025, the Board published a final notice in the *Federal Register* (90 FR 17935).

Estimate of Respondent Burden

As shown in the table below, the estimated total annual burden for the FR 3036 is 1,365 hours, and would increase to 1,458 hours with the revisions. The number of respondents is based on the number of respondents to the Survey of North American Foreign Exchange Volume in 2023. The average hours per response is based on the estimate that it will take 1 additional hour to complete the incremental information in the turnover portion. For the settlement portion, reporting dealers use separate systems for trading versus settlement, and settlement systems group together trades; a higher burden of 9 hours per respondent is estimated as a result. These reporting requirements represent less than 1 percent of the Board’s total paperwork burden.

FR 3036	<i>Estimated number of respondents¹</i>	<i>Estimated annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
Current	21	1	65	1,365
Proposed				
Reporting dealers	13	1	66	858
Reporting dealers for FX settlements only	8	1	75	<u>600</u>
<i>Proposed Total</i>				1,458
<i>Change</i>				93

The estimated total annual cost to the public for the FR 3036 is \$98,485, and would increase to \$105,195 with the revisions.²

Sensitive Questions

This information collection contains no questions of a sensitive nature, as defined by OMB guidelines.

Estimate of Cost to the Federal Reserve System

The estimated cost to the Federal Reserve System for collecting and processing the FR 3036 is \$950,000.

¹ Of these respondents, none are considered small entities as defined by the Small Business Administration (i.e., entities with less than \$850 million in total assets). Size standards effective March 17, 2023. See <https://www.sba.gov/document/support-table-size-standards>.

² Total cost to the responding public is estimated using the following formula: total burden hours, multiplied by the cost of staffing, where the cost of staffing is calculated as a percent of time for each occupational group multiplied by the group's hourly rate and then summed (30% Office & Administrative Support at \$24, 45% Financial Managers at \$87, 15% Lawyers at \$88, and 10% Chief Executives at \$126). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor Statistics (BLS), *Occupational Employment and Wages*, May 2024, published April 2, 2025, <https://www.bls.gov/news.release/ocwage.t01.htm>. Occupations are defined using the BLS Standard Occupational Classification System, <https://www.bls.gov/soc/>.