

# **STANDARD OTC CLEARING REQUEST FOR PROPOSAL**

**Banco Santander SA**

**WHO SHOULD READ THIS DOCUMENT AND WHY?**

This document contains an example request for proposal (RFP) that clients interested in OTC clearing service of Banco Santander can use to apply for the OTC clearing services.

Please note that prospective OTC clearing clients can also choose to submit their own RFP templates.

For more information on the documentation Banco Santander requires to onboard a prospective OTC clearing client as well as on the onboarding process, please refer to the "Frardt Disclosure" document available at <https://www.santander.com/>. The required documents can be submitted together with the RFP.

If you intend to submit our RFP please complete sections below and send it to [ldmmoocrm@gruposantander.com](mailto:ldmmoocrm@gruposantander.com). If possible, attach the documents required for the onboarding process listed in the "Frardt Disclosure" document available at <https://www.santander.com/>.

For further information please contact Banco Santander's Client Clearing sales team via the following email address: [ldmmoocrm@gruposantander.com](mailto:ldmmoocrm@gruposantander.com).

Example RFP for the Provision of OTC Clearing Services

**1 PROSPECTIVE CLIENT INFORMATION**

(Please provide details for all prospective funds where applicable.)

- 1.1 **Legal Name (legal and other business/trading names used, if applicable)**
- 1.2 **External Identification Number (s) (LEI, ISIN/CUSIP)**
- 1.3 **Principal Business Address**
- 1.4 **Registered Address**
- 1.5 **Country of Incorporation**
- 1.6 **Country of Incorporation of Parent Entity (if applicable)**
- 1.7 **Legal Form**
- 1.8 **Authorised representatives (Identification document)**
- 1.9 **Authorised signers (identification details)**
- 1.10 **EMIR Classification in accordance with articles 4a or 10 of Regulation (EU) No 648/2012**
- 1.11 **Nature of business**
- 1.12 **Markets / Contracts you intend to clear**

## **2 CORPORATE STRUCTURE**

- 2.1 **What group entity will engage in clearing activity and what is the relationship of that entity to the parent and other group members?**
- 2.2 **Do your clearing entities currently hold any ratings from credit ratings agencies?**

## **3 CLEARING PRODUCT COVERAGE**

- 3.1 **Which CCPs and clearing model (FCM, SCM, etc) will you be providing access to?**
- 3.2 **Which products will your clearing offering cover?**

## **4 TRADE EXECUTION**

- 4.1 **What electronic venues do you provide connection to?**
- 4.2 **Please describe the process clients can give up trades executed via other executing brokers and cleared through you.**

## **5 RISK**

**5.1 What is your internal risk management process for client selection and how is the risk of that client managed after on-boarding?**

**5.2 Describe the method of clearing member's limits on its counterparty exposures and how it is measured. How will counterparties become aware of approaching the limit?**

**5.3 Do you provide real-time risk view over cleared portfolio?**

## **6 CLEARING OPERATIONS**

**6.1 What is your trade processing model for OTC clearing (include in diagram or schema)?**

**6.2 What types of middleware systems and connectivity are available for sending trades and receiving trade information?**

**6.3 Please describe under which circumstances trades could be rejected for clearing. How is the client notified of the rejection?**

**6.4 What netting/compression options for OTC portfolios do the CCPs offer?**

**6.5 Which trade repositories do you have membership to and connectivity in place with?**

## **7 SETTLEMENTS**

**7.1 Please provide a brief summary of the daily margin and fee settlement process.**

**7.2 Please confirm the eligible collateral to cover initial margin?**

## **8 DOCUMENTATION**

**8.1 In respect of your OTC clearing offering please list the key contractual agreements required (including annexes, modules etc.).**

## **9 REPORTING**

**9.1 Please provide an overview and samples of standard reports and extracts that you will provide and the timing of when the reports will be made available. Is customization available and how these reports will be accessed?**

9.2 **At what level do you report initial and variation, i.e. trade, sub account legal entity, other?**

9.3 **Please detail your life cycle management process and what services you provide clients i.e. notification of last trading date, exercise and expiry management.**

9.4 **Do you offer web-based, real-time customised reporting capabilities?**

9.5 **Are you capable of delivering reports in multiple formats, including web-based, FTP and email?**

## **10 OTC CONTRACTS**

10.1 Please provide information about the OTC contracts concerned, including the clearing obligation, if any, in accordance with article 4 Regulation (EU) NO 648/2012.

## **11 COSTS**

11.1 **Please provide the cost of your proposed solution?**

- a. Transaction fees
- b. Portfolio maintenance
- c. Haircuts
- d. Reporting fees
- e. Compression
- f. Other fees

Should you have any questions please contact Banco Santander's Client Clearing sales team via the following email address: [ldmmoocrm@gruposantander.com](mailto:ldmmoocrm@gruposantander.com).