

FRANDT Onboarding Procedures for Prime Derivatives Services

Version March 2022

Introduction

Throughout this document references to “we”, “our”, “Barclays” and “us” are references to either Barclays Bank PLC (“BBPLC”), Barclays Bank Ireland PLC (“BBI”) or Barclays Capital Inc., acting as clearing broker.

References to “you” and “your” are references to the client.

What is the purpose of this document?

Commission Delegated Regulation (EU) 2021/1456 of 2 June 2021 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council by specifying the conditions under which the commercial terms for clearing services for OTC derivatives are to be considered to be fair, reasonable, non-discriminatory and transparent (“FRANDT”) is in force from 9 March 2022.

In accordance with FRANDT, Barclays is required to publish on our website a description of the process leading to the agreement of contractual terms and setting up operational processes for OTC clearing services (the “onboarding process”). The description should include the following:

- the different steps of that process;
- the estimated timeline to complete the different steps of that process;
- a form to request a proposal from the clearing service provider to become a client; and
- the key documentation that the prospective client is to submit to Barclays together with the form for a request for proposal.

Onboarding process

Overview of onboarding process

Our onboarding process is streamlined through a dedicated integration manager who will act as a single point of contact for you in the onboarding process. Your dedicated integration manager will work with other internal representatives in our client solutions team, operations, technology, risk, credit and legal department. Your dedicated integration manager will have full visibility of your onboarding process, will coordinate all steps internally and provide updates to you to ensure the onboarding process is as efficient as possible.

Key steps of the onboarding process

The onboarding process and timelines are driven by your specific requirements. Please note, the timeline for the operational, account and technology setups will vary depending on the complexity of your specific setup.

The key steps of the onboarding process are outlined below:

- Know Your Customer (“KYC”) - Our KYC program is designed to adhere to all applicable laws and regulations as well as the firm’s own policies and risk tolerances. We need to identify and verify full ownership details of a prospective client; conduct sanctions review, negative news screenings and collect information about the prospective client’s nature of business. In addition to this, we require constitutional documents to prove the authority and capacity of the prospective client and relevant agents. For example, for a fund and manager, we require copies of the fund prospectus and investment management agreement. Your integration manager and client solutions contact will work with you to ensure we receive the information we need to complete this set up.
- Legal document negotiation -
 - o Our legal department will require information about the in-scope entities such as the legal name, entity type (for example, company, limited partnership, hedge fund etc), jurisdiction of

incorporation and constitutional documents (such as, certificate of incorporation, investment management agreements, articles of incorporation etc) so that we can document your legal agreement correctly. Our legal department will also need to check external legal opinions to satisfy our internal and regulatory requirements¹.

- When you execute your legal documentation, we will request a copy of your signing authority (such as, power of attorney or certificate of authority).
- Credit – Our credit department will require financial documents (such as, a copy of your annual report containing annual audited financial statements, copy of your quarterly financial report containing unaudited financial statements, assets under management, net asset value (if applicable) etc) to review the risk profile of your company. The credit and risk departments (see below) will set perimeters for your trading activity based on the documents they receive and your anticipated trading style.
- Risk - Our risk department will also require financial documents (such as a portfolio of what you want to trade with us, frequency on trading volume, assets under management (if applicable) etc) to review your company and your portfolio. The credit and risk departments will set perimeters for your trading activity based on the documents they receive and your anticipated trading style.
- Operations -
 - Including account set-up at the clearing houses and vendor platforms, daily trade and process flows, customized reporting requirements etc.
 - This includes our operational onboarding team organizing a call and walking you through the information needed.
- Technology -
 - To clear on our platform you will require access to the systems set out below (please refer to Platform and CCP Set ups) and our internal systems (Barclayslive). Your dedicated integration manager will discuss the products and central clearing counterparty (“CCP”) which you wish to access and advise you which systems you need to access. They will also help to coordinate any set ups which are required.
 - In addition to the above systems, which are required to access the Barclays platform, you may also need to access clearing platforms which the CCPs own and need you to access. These are additional set ups which you need to coordinate directly with the CCPs. You can discuss these requirements with your dedicated integration manager.
- Testing and training – To familiarize your teams a member of our client service team will walk you through the systems we use and the reports you will receive.

Estimated timeline to complete the different steps of Onboarding process

The onboarding timeline is driven by your specific requirements, KYC due diligence, legal document negotiation, credit and risk review and bespoke setup requirements (if any). It may be shorter if you already have an existing relationship with us and you select standard technology and standard documentation.

Once legal documentation is executed, operational set up will usually take 5 London business days to complete.

Please refer to Appendix A for an example of the timeline of a typical onboard. These timelines are on a best efforts basis and for a standard onboarding.

Form for Request for Proposal

If you would like to access our clearing platform and become a client of Barclays, you may use the RFP Request Form (“RFP Request”) set out in Appendix B or you may use your own form. In all circumstances, we will ask you for the documents listed below in the section “Documentation Requirements for the onboarding process” to your Barclays contact. Based on the information you provide we may have follow-up questions or requests for information from you in order to assess whether we are able to provide you with clearing services. If we are unable to provide you with such services, we will promptly inform you of the main reasons for that decision. If we are able to provide you with clearing services, then such a proposal would include the following:

- the information referred to in the following provisions:
 - Article 38(1) of Regulation (EU) No 648/2012;

¹ The Integration manager will provide a complete list of documents we require to complete this review once we have more information about the entity which is to be documented with Barclays

- Article 39(7) of Regulation (EU) No 648/2012;
- the terms and conditions under which we offer clearing services, including terms and conditions which are specific to the prospective client;
- the collateral accepted;
- the applicable haircuts;
- the criteria for acceptance of orders;
- the conditions for the suspension of any clearing services or the liquidation or close out of any positions;
- the conditions for the termination of the agreement for the provision of clearing services;
- any applicable IT solutions and requirements.

Documentation Requirements for the onboarding process

Together with the completed RFP Request you will also need to provide the documents which can be provided by your Barclays contact:

- (a) Client Information Form – general information relating to account setup and OTC specific set up details;
- (b) EMIR/UK EMIR 39 Account Election (Only for BBIE and BBPLC);
- (c) Standard Settlement Instructions on headed paper and signed by authorized signatory or ALERT details;
- (d) Full client contact details list, including day to day contact and escalation points. Administrator / Custodian / Cash and deliveries as applicable Authorised signatory details (for SSI's/account opening/closing requests etc);
- (e) If client requires EMIR delegated reporting the client must sign a legal agreement with us for this service²;
- (f) Information about the OTC derivative contracts concerned, including whether those contracts are subject to the clearing obligation in accordance with Article 4 of Regulation (EU) No 648/2012 (or the UK equivalent);
- (g) Financial documents such as annual report containing annual audited financial statements, copy of your quarterly financial report containing unaudited financial statements, assets under management and portfolio of what you want to trade with us and frequency on trading volume; and
- (h) Constitutional documents such as certificate of incorporation, investment management agreements, articles of incorporation.

External Platform and CCP Set ups

The main external platforms which we are currently set up with are MarkitWire, MarketAxess TradeWeb and Bloomberg. If you want to be set up on any of these platforms with your existing set up your dedicated integration manager will require account and user access details.

Below are the elections for the different CCPs. We will require the below information for your account set up:

CCP Elections and Forms	
More information about these elections is available from the respective CCPs and your dedicated integration manager.	
LCH	Is LCH set-up required?
Auto Netting (Yes/No)	Daily positions will be netted and reported
Margin Style (Gross/Net) ³	Please specify whether margining should be on a gross basis or net.
Fee Plan (Standard/High Turnover)	Please indicate preferred fee plan
Account Choice	Please confirm if this is omnibus segregated account or individually segregated account
ICE	Is ICE set-up required?
Please provide your ICE Link ID, if registered at ICE	Has the client/fund been set-up on ICE? Please provide ICE Link ID if yes

² EMIR Delegated Reporting Agreement is an industry standard document which will be provided during the onboarding process

³ This information is required for CCP account set up.

Account Choice	Please confirm if this is omnibus segregated account or individually segregated account
Position Type (Net/Trade by trade)	Trade by Trade: Daily positions would be reported individually for each trade Net: Daily positions will be netted and reported
Eurex	Is Eurex set-up required?
Fee Plan (Standard/High Turnover)	Please indicate preferred fee plan
Account Choice	Please confirm if this is omnibus segregated account or individually segregated account
CME	Is CME required?
If yes please confirm Position Type (Net/Trade by trade)	Trade by Trade: Daily positions would be reported individually for each trade Net: Daily positions will be netted and reported

Important

This document provides a high level summary of our onboarding process. Whilst it may be helpful to you when selecting a service provider, this document should not constitute any form of advice and should not be relied on as such. Nothing contained herein should be considered a binding offer to provide services or any guarantee that a particular account choice or fee offering will be available at a particular CCP. It is your responsibility to review and conduct your own due diligence on the relevant rules, legal documentation and any other information provided to you. You may wish to appoint your own professional advisors to assist you with this.

This should not be relied on as any guarantee regarding timing, documentation requirements or process, given that various factors may lead to a faster or slower onboarding process or may lead to us requiring more information or documentation.

We shall not in any circumstances be liable, whether in contract, tort, breach of statutory duty or otherwise for any losses or damages that may be suffered as a result of using this document. Such losses or damages include any loss of profit or revenue, damage to reputation or loss of any contract or other business opportunity or goodwill and any indirect loss or consequential loss.

Appendix A: Timeline for typical onboard

Task Detail	Duration	Weeks													Go-Live		
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Sales, Credit and Legal																	
Business	1 – 2 weeks																
Business Approval-Pricing schedule agreed																	
Risk Review																	
KYC and Credit Due Diligence	2-6 weeks																
KYC																	
Credit Review																	
Legal Documentation	2-12 weeks																
Negotiations if any																	
Execute Agreements																	
Client Business and Operational Review	1-2 days																
Initial Integration Meetings and Weekly Progress Call																	
Service Requirements	2-6 weeks																
Reporting and Barclays Live Overview																	
T+1 Reporting and Reconciliation Files																	
Non-standard Requirements Planning																	
Technology Platform	2-6 weeks																
Trade File Configuration Integration																	
Testing	1-3 weeks																
FTP Connectivity																	
Test Trade																	
Administrator Requirements	2-6 weeks																
Trade and Instruction Communication																	
T+1 Reporting and Reconciliation Files																	
Account Set-Up⁴	4-14 weeks																
CCP Onboarding																	
Risk Limit Setting																	
Set up Internal BarCap Systems																	
Account readiness & Go-Live	1-2 days																
Confirm with all parties the go-live date																	
Provide final Contacts List																	
Start Trading	1-2 days																
Hand Over to Client Service Representative																	

⁴ Can only be completed once docs are executed

Appendix B: RFP Request form

1. Information about the prospective client		
1.1	Legal Name	
1.2	Legal entity identifier (LEI)	
1.3	Whether the prospective client is a financial or non-financial counterparty and whether it is subject to the clearing obligation in accordance with Articles 4a or 10 of Regulation (EU) No 648/2012	
1.4	The sector of activity	
1.5	Principal Address	
1.6	Contact	
1.7	Barclays entity you wish to contract with (if known)	
2. Documentation		
2.1	Information about the documentation that the prospective client is to provide to the clearing service provider as part of the onboarding process	Please refer to the Documentation Requirements for onboarding process set out in the FRANDT Onboarding Procedures for Prime Derivatives Services
3. OTC Derivative Contracts		
3.1	Information about the OTC derivative contracts concerned, including whether those contracts are subject to the clearing obligation in accordance with Article 4 of Regulation (EU) No 648/2012 ⁵	

⁵ Please provide a list of CCPs and products which you wish to clear through us. Please also advise (if known) if these products are subject to the obligations set out under Article 4 of Regulation (EU) No 648/2012 ("Clearing Obligation"). If you do not know if they are subject to the Clearing Obligation, please state "Unknown" and we will discuss with you.