CDIDE/2026/30

ROC Regulatory Oversight Committee

Committee on Derivative Identifiers and Data Elements

Guidance on FX TARF Derivative Transaction Reporting

Date: 23 September 2026

This guidance is issued by the Regulatory Oversight Committee's Committee on Derivative Identifiers and Data Elements (ROC CDIDE) as global guidance addressed to Authorities. It does not supersede the regulatory reporting obligations established by individual Authorities, nor does it modify Authority-specific requirements. This guidance has been developed in consultation with an ISDA industry experts working group, whose views have been considered by the ROC CDIDE as reflecting established industry best practice.

Overview

This document provides best practice guidance for the reporting of foreign exchange target redemption forward (FX TARF) transactions. The purpose of this guidance is to support the establishment of consistent expectations for the identification and reporting of such transactions across jurisdictions.

Further guidance will be developed to support implementation, including guidance relating to the reporting of TARF types within the Unique Product Identifier (UPI) framework and the use of Critical Data Elements (CDE) for reporting TARF transaction attributes.

The document is structured as follows:

1. A staged approach to implementation
2. Conditions for identifying an FX TARF transaction

1. Staged approach to implementation

The ROC CDIDE has outlined the following staged approach to the implementation of this guidance.

Phase 1

The FX TARF UPI template[1] has been made available within the Derivatives Service Bureau (DSB) UPI Service as of 27 June 2026. The new FX TARF transactions can be reported using this template as soon as technologically practicable, and in any event no later than 30 June 2027.

Phase 2

Additional TARF sub-types are expected to be incorporated into the UPI TARF templates following further development and alignment with industry. Supplementary guidance will be issued by the DSB once these sub-types become available.[2]

Phase 3

Further guidance is expected to be issued by the ROC to address best practices for the reporting of FX TARF transaction attributes using CDE data elements.

2. Conditions for identifying an FX TARF transaction

This section sets out the conditions that authorities may use to determine whether a transaction is an FX TARF for reporting purposes.

A transaction is an FX TARF transaction if the transaction terms include:

(a) multiple periods of exercise or trigger events (e.g. each month for 12 months); and

(b) a ‘target’ element under which the transaction is early terminated if the accumulated positive outcomes from exercise or trigger events for a counterparty reach or exceed a specified monetary value, or a specified number of such events occurs during the term of the transaction.

An FX TARF transaction also includes combinations of transaction terms such as:

(a) a single notional amount or two different notional amounts applicable to the exercise or trigger events (with the ratio of the two different notional amounts being the “leverage ratio”)[3];

[1] See the DSB website for details of the Phase 1 FX TARF UPI template and related changes: https://www.anna-dsb.com/download/otc-isin-upi-template-foreign_exchange-forward-tarf-phase-1/.

[2] See the DSB website for the DSB UPI best practice guidance and updates on Phase 2 FX TARF reporting: https://www.anna-dsb.com/download/upi-and-isin-best-practice-faqs/.

[3] ROC CDIDE and industry participants have discussed potential future reporting of leverage ratio and related transaction terms, including barrier levels and strike price information. These discussions remain ongoing

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(b) one or more fixed FX rates at which an FX trade or cash-settlement can occur; and

(c) a fixed FX rate at which a change in direction is triggered for the counterparties (e.g. if the FX spot reference rate is below that rate, a counterparty acts as a 'seller' and if above that rate, as a 'buyer').

The ROC CDIDE will continue to consider additional reporting issues, including transaction representation and TARF-specific data elements, and may issue further guidance as appropriate. For questions regarding the interpretation or implementation of this guidance, please contact Grzegorz.Skrzypczynski@ecb.europa.eu.

and any associated reporting expectations may be addressed through future guidance and data standard development.