

# Markets

## Derivatives products

In November, we approved the MSCI China (USD) Index and MSCI China Net Total Return (USD) Index futures contracts to replace the MSCI China Free (USD) Index and MSCI China Free Net Total Return (USD) Index futures contracts in light of MSCI's plans to terminate the MSCI China Free Indexes in 2022.

## OTC derivatives

In December, we issued a joint consultation with the Hong Kong Monetary Authority on adding eight new calculation periods under the Clearing Rules<sup>1</sup> for the over-the-counter (OTC) derivatives regulatory regime.

## OTC Clear

We approved proposals by OTC Clear to adopt the 2021 Interest Rate Derivatives Definitions published by the International Swaps and Derivatives Association and update certain maturities for the London Interbank Offered Rate interest rate benchmarks.

## ATS providers

	As at 31.12.2021	As at 31.3.2021	Change (%)	As at 31.12.2020	YoY change (%)
Under Part III	53	51	3.9	52	1.9
Under Part V	25	24	4.2	24	4.2

## Investor identification

In October, the SFC and Hong Kong Exchanges and Clearing Limited co-hosted two industry webinars to introduce the Hong Kong investor identification regime and over-the-counter securities transactions reporting regime. Frequently asked questions about the regimes were published to provide further guidance. We also worked with the Investor and Financial Education Council to promote investors' awareness and understanding of the regimes.

## Automated trading services

As of 31 December, the number of automated trading services (ATS) providers<sup>2</sup> authorised under Part III of the Securities and Futures Ordinance (SFO) was 53, whilst 25 corporations, including 13 dark pool operators, were licensed under Part V of the SFO to provide ATS.

1 The Securities and Futures (OTC Derivative Transactions – Clearing and Record Keeping Obligations and Designation of Central Counterparties) Rules.

2 Under the SFO, two regimes regulate ATS providers. Typically, those that offer facilities similar to those of a traditional exchange or a clearing house are authorised under Part III of the SFO. Intermediaries which provide dealing services with ATS as an added facility are licensed under Part V of the SFO.