

Frequently Asked Questions on
the Securities and Futures (OTC Derivative Transactions –
Reporting and Record Keeping Obligations) Rules

23 November 2021

These FAQs elaborate on how the Securities and Futures (OTC Derivative Transactions – Reporting and Record Keeping Obligations) Rules will operate and are intended to help market participants better understand their obligations and responsibilities under the Reporting Rules so that they can better understand the requirements and ensure compliance going forward.

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Definitions and Interpretation

Unless the context otherwise requires, terms defined in Schedule 1 to the SFO or in the Reporting Rules bear the same meaning when used in the questions and answers below, and the following terms bear the following meanings:

- *“AIDG” refers to the Administration and Interface Development Guide issued by the HKMA through the operator of HKTR;*
- *“HKMA” refers to the Hong Kong Monetary Authority;*
- *“HKTR” refers to the electronic reporting system operated by or on behalf of the HKMA for submitting and receiving reports on specified OTC derivative transactions for the purposes of the Reporting Rules and section 101B of the SFO;*
- *“HKTR Reporting Manuals” refers to the reporting manuals and related documents issued by the HKMA (i.e. the AIDG, OTC Derivatives Trade Repository Reporting Service Reference Manual, Operating Procedure for Hong Kong Trade Repository Reporting Service – User Manual for Participants) and which, together, constitute the “directions and instructions for the use of electronic reporting system” required to be published by the HKMA under Rule 21(2) of the Reporting Rules;*
- *“prohibitive legal or regulatory limitation” means a person cannot submit counterparty identifying particulars for a specified OTC derivative transaction because the disclosure of the particulars is prohibited under the laws of, or by an authority or a regulatory organisation in, a jurisdiction designated by the SFC in accordance with Rule 26(3) of the Reporting Rules;*
- *“phase 1 Reporting Rules” means the Securities and Futures (OTC Derivative Transactions – Reporting and Record Keeping Obligations) Rules that came into effect on 10 July 2015 until 30 June 2017;*
- *“phase 2 Reporting Rules” means the phase 1 Reporting Rules as amended by the Securities and Futures (OTC Derivative Transactions – Reporting and Record Keeping Obligations) (Amendment) Rules 2016 that became effective from 1 July 2017;*
- *“SFC” refers to the Securities and Futures Commission;*
- *“SFO” refers to the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong);*
- *and*
- *“TR” means trade repository.*

Legislation and technical guidance

Q1. Where are the reporting and related record keeping requirements set out?

The broad framework for mandatory reporting and related record keeping is contained in Part IIIA of the SFO, and the detailed requirements for reporting and related record keeping are set out in the Reporting Rules. The data fields for each OTC derivative transaction in respect of the five asset classes are published by Government Gazette. These documents are accessible at the Department of Justice's website: www.blis.gov.hk.

Technical guidance for reporting is set out in the HKTR Reporting Manuals which are accessible at <https://hktr.hkma.gov.hk/>.

The Supplementary Reporting Instructions (SRI), annexed to the AIDG, provides an overview of the technical reporting requirements and would be a good start to understanding the more technical aspects of reporting.

Commencement Date of the Reporting Rules

Q2. When did the reporting and related record keeping requirements start to operate? What is required to be reported?

The reporting and related record keeping requirements first came into effect from the commencement of the phase 1 Reporting Rules on 10 July, 2015. The subsequent phase of reporting and related record keeping requirements as reflected in the phase 2 Reporting Rules came into effect on 1 July, 2017. Covered transactions have to be reported on a T+2 basis subject to certain transitional arrangements (see Q3).

Phase 1 Reporting Rules covered transactions in certain interest rate swaps and non-deliverable forwards only whereas phase 2 Reporting Rules subsequently expanded the coverage of transactions to all five asset classes of interest rate, foreign exchange, equity, credit and commodity. Reporting entities are required to comply with the data fields gazetted for each asset class in accordance with the description thereof and the instructions set out in the SRI. Subsequent events of these transactions, as set out in the SRI to cover any event which occurs after the transaction was entered into that affects the terms or conditions on which the transaction was entered into or the persons involved, are also required to be reported (please also see Q18). Under phase 2 reporting, valuation information of the transactions will have to be reported daily.

Transitional Arrangement

Q3. Is there any transitional arrangement for backloading outstanding transactions under the phase 2 Reporting Rules?

When the phase 2 Reporting Rules came into effect, there was a 3-month grace period starting from the commencement date for backloading outstanding transactions. For valuation information, there will however be no grace period for transactions that have been reported/backloaded as due consideration had been given to the time needed for reporting entities to get necessary system preparation.

Points to note:

- (a) Transactions entered into before the commencement date of the phase 2 Reporting Rules but still outstanding as at that date are not required to be reported if they mature or are terminated before the end of the grace period (see Q17). However, if such a transaction has already been reported to the HKMA via the HKTR before it matures or is terminated, then any subsequent events in respect of that transaction (that occur up till the time the transaction matures or is terminated) should also be reported (please also see Q17).
- (b) Although there is a 3-month grace period for backloading outstanding transactions, reporting entities are encouraged to backload these transactions as early as possible rather than wait till the end of the grace period.

Entities subject to reporting and related record keeping obligations

Q4. Who would be subject to the mandatory reporting and related record keeping obligations?

The mandatory reporting and the related record-keeping obligations apply to an entity that is:

- (a) an authorized institution (“**AI**”);
- (b) an approved money broker (“**AMB**”);
- (c) a licensed corporation (“**LC**”);
- (d) a recognized clearing house (“**RCH**”) – i.e. a central counterparty (“**CCP**”) that is recognized as a clearing house under section 37 of the Securities and Futures Ordinance; or
- (e) an ATS-CCP (“**ATS-CCP**”) (effective from 1 September 2016) – i.e. an automated trading service provider authorized under section 95(2) of the SFO

to provide automated trading services and is acting in its capacity as a central counterparty.

Other types of entities may be covered in later phases of implementation.

Q5. Are there any exemptions or reliefs from the reporting obligation?

Yes, an exempt person relief is extended to AIs, AMBs and LCs that have maintained only small positions in OTC derivative transactions. Under the phase 2 Reporting Rules, any AI, AMB or LC which meets the criteria below will be exempted from reporting OTC derivative transactions:

- (a) the sum of the notional amounts of all of the AI/AMB/LC's outstanding OTC derivative transactions (it is no longer on a product class basis) must not at any time exceed US\$30 million;
- (b) the AI, AMB or LC must not have any transactions "conducted in Hong Kong" (see Q20) at any time; and
- (c) the AI, AMB or LC must not have reported, or were required to report but had not done so, any OTC derivative transaction to the HKMA before.

Points to note:

- (i) In the case of an overseas incorporated AI, criteria (a) and (b) above only apply in respect of the Hong Kong branch, i.e. for the threshold in criterion (a) only the notional amount of transactions booked in the AI's Hong Kong branch will be counted, and for criterion (b) only transactions "conducted in Hong Kong" by the Hong Kong branch will be counted.
- (ii) The exempt person relief cannot be revived once lost. Under phase 2 Reporting Rules, this means that once an AI, AMB or LC fails to meet any of the above criteria, it will permanently cease to be entitled to the relief.

Q6. My institution plans to become an AI/AMB/LC soon. Does my institution need to comply with the mandatory reporting and related record keeping requirements immediately after it becomes an AI/AMB/LC?

For a person that becomes an AI/AMB/LC after the commencement of the phase 2 Reporting Rules, the person must report any new transactions, any subsequent events and daily valuation information subject to mandatory reporting on a T+2 basis. But there is a 3-month grace period for backloading outstanding transactions as at the date the person becomes an AI/AMB/LC (please also see Q3).

Q7. I expect that although my institution is eligible for the exempt person relief under the Reporting Rules, it will likely lose this relief some time later due to planned changes in business strategies. Is there any transitional arrangement

for my institution to report transactions after my institution loses the exempt person relief?

As there will no longer be any concession period under phase 2 reporting, any institution expects itself to be subject to the reporting requirements should get necessary preparation to report transactions on a T+2 basis. There is however still a 3-month grace period for backloading any outstanding transactions from the date the person ceases to be regarded as an exempt person (please also see Q3).

Circumstances when reporting is required

Q8. Under what circumstances should an OTC derivative transaction be reported?

Counterparty limb - An AI, AMB, LC, RCH or ATS-CCP is required to report an OTC derivative transaction (see Q9) if it is a counterparty to the transaction. Additionally:

- (a) for an overseas incorporated AI, the transaction must be booked in its Hong Kong branch; and
- (b) for an ATS-CCP, the counterparty to the transaction must be a Hong Kong incorporated entity.

“Conducted in Hong Kong” limb - For an AI, AMB and LC, it is also required to report an OTC derivative transaction that it has “conducted in Hong Kong” (see Q20):

- (a) on behalf of an affiliate (in the case of any AI, AMB or LC); or
- (b) on behalf of its head office or its branch/office outside Hong Kong (in the case of the Hong Kong branch of an overseas incorporated AI).

Additionally, in the case of an RCH or ATS-CCP, the reporting obligation will only apply when the RCH or ATS-CCP is acting in its capacity as a CCP. Transactions entered into as part of its default management procedures are still transactions entered into in its capacity as a CCP. They will therefore be reportable under the reporting regime.

Q9. What types of transactions are subject to the reporting obligation?

Under phase 2 Reporting Rules, all specified OTC derivative transactions, as defined in the SFO, under the five asset classes are required to be reported.

By definition (as set out in Schedule 1 to the SFO), OTC derivative transactions do not include, among others:

- (a) transactions in securities or futures contracts that are traded on a recognized stock market or recognized futures market (i.e. a market operated by an entity that is a recognized exchange company under the SFO);
- (b) transactions in securities or futures contracts that are traded on a stock or futures market and cleared through an overseas CCP if those markets and CCPs are prescribed under the Securities and Futures (Stock Markets, Futures Markets and Clearing Houses) Notice – these are listed in [Annex 1](#) and [Annex 2](#) respectively for ready reference;
- (c) transactions in a spot contract;
- (d) transactions in a structured product which is offered to the multiple persons for a short period and on essentially identical terms; and
- (e) transactions in an embedded derivative.

In addition, as set out in the Reporting Rules, excluded currency contracts (i.e. certain FX forward contracts for the purpose of settling a sale or purchase of securities which are denominated in a foreign currency, settled within a customary settlement period and in any event settled in not longer than 7 days) is also not a specified OTC derivative transaction.

Q10. Is Delta One Warrant subject to the reporting obligation?

Warrants are generally OTC derivatives and, except those specifically carved out under the definition of “OTC derivative product”, are therefore subject to the reporting obligation. However, the HKMA and SFC concluded in June 2017 upon market request and after a public consultation that Delta One Warrants (i.e. call warrants with a strike price set at, or effectively set at, zero or very close to zero) which satisfy certain requirements should be excluded from the definition of “OTC derivative product” and therefore will not be reportable under the mandatory reporting regime. The proposed exclusion requires amendments to subsidiary legislation. Subject to the Legislative Council’s negative vetting process and subject to the legislative timetable, the implementation of the proposed exclusion may not be possible until Q4 of 2017 or later. In the meantime, the HKMA and SFC will adopt a pragmatic approach in dealing with non-reporting of Delta One Warrants. Market participants who envisage difficulty in complying with their reporting obligations prior to the legislative changes take effect should contact their respective regulator as soon as possible.

Q11. Are Accumulators subject to the reporting obligation?

Accumulators are regarded as OTC derivatives, and are therefore subject to the reporting obligations. Reporting entities should submit the transaction information using the Other template of the corresponding asset class. For example, a

transaction involving a FX Accumulator should be reported by using the FX Other template.

Q12. Are inter-branch and intra-branch transactions reportable?

Inter-branch transactions (i.e. transactions between branches of the same legal entity) and intra-branch transactions (e.g. transactions between desks within the same branch) are not reportable. Such transactions are not between two persons and hence we do not regard them as being transactions between counterparties.

Q13. Are transactions reportable if they are: (i) entered into with retail customers; (ii) undertaken for hedging purposes; or (iii) intragroup transactions (i.e. transactions between the reporting institution and an institution that belongs to the same group of companies as the reporting institution)?

The answer to each of the above questions is “yes”, subject to the transactions meeting the reporting criteria. There is no general exemption provided for the reporting of these transactions.

Q14. My institution is an overseas incorporated bank. We have entered into an OTC derivative transaction with a client and then entered into another transaction with our New York branch to transfer the market risk of the transaction. How should we report these transactions?

Assuming that the transaction with the client is booked in the Hong Kong branch, the transaction should be reported pursuant to the counterparty limb (see Q8). As for the hedging transaction with the New York branch, this is not required to be reported because it is an inter-branch transaction (see Q12).

Please note that this case is different from the Hong Kong branch entering into a transaction on behalf of the New York branch (i.e. when the transaction with the client is booked with the New York branch directly without any inter-branch transaction to transfer the risk), which will be reportable under the “conducted in Hong Kong” limb (see Q8 and Q20).

Q15. Does the reporting obligation have to apply to both counterparties at the same time in order for the transaction to be reportable?

No. An AI, AMB, LC, RCH or ATS-CCP should report a transaction to which it has an obligation to report. Whether or not its counterparty has an obligation to report the transaction does not matter.

Q16. Are outstanding transactions reportable under phase 2 Reporting Rules? Is there additional information required to be reported for outstanding transactions reported under phase 1 reporting?

Yes, a reporting entity is required to report a transaction which was entered into in the past but remains outstanding at the commencement of the Reporting Rules.

The requirement to report outstanding transactions only applies in respect of transactions to which the person is a counterparty. For an AI, AMB or LC, the outstanding transactions that it “conducted in Hong Kong” are not required to be reported.

Under phase 2 Reporting Rules, there is an expanded scope of information reportable for transactions reported under phase 1 Reporting Rules. Reporting entities are required to backload such additional information, i.e. the data fields as gazetted in accordance with Rule 25B of the phase 2 Reporting Rules, for those outstanding transactions which have a maturity day that is on or after 1 July 2018.

Q17. Are outstanding transactions that have matured before the end of the grace period reportable?

Similar to phase 1, under the phase 2 Reporting Rules, there is a 3-month grace period to facilitate backloading of outstanding transactions as at 1 July 2017. For those outstanding trades (except for those already reported to the HKTR) that have matured before the end of the grace period, they are not required to be reported (please also see Q3).

Q18. Are there any other reporting obligations after a transaction is first reported?

Yes. After a transaction is reported to the HKMA via the HKTR, daily valuation information is required to be reported under the phase 2 Reporting Rules. You also need to submit a report (again via the HKTR) when a subsequent event (see Q41) in respect of that transaction takes place or when you identify a reporting error. (Please also see Q2) (See the SRI annexed to the AIDG for detailed guidance on correcting erroneous reports.)

Q19. Clarification of certain transactions

(A) Are derivative contracts which have been traded “off market” before they are registered on a prescribed market (and cleared at a prescribed CCP) regarded as transactions in an OTC derivative product? Or are they excluded by virtue of paragraph (2)(c) of section 1B of Part 1 in Schedule 1 to SFO and hence not reportable?

As long as the transactions are subsequently registered on a prescribed market in accordance with the rules of the market, they will be regarded as transactions traded on the prescribed market. If the transactions are also cleared through a prescribed CCP, then they will not be regarded as OTC derivative transactions and therefore will not have to be reported.

(B) Are “back-to-back” transactions entered into with clearing brokers for the purposes of clearing futures or options contracts required to be reported?

No. We consider that the “back-to-back” transaction for the purposes of clearing should be treated as part of the exchange-traded futures or options contract. Accordingly, as long as the futures or options contract is executed on a prescribed market and cleared through a prescribed clearing house, the back-to-back transaction should also fall outside the definition of “OTC derivative transaction” and hence not be subject to mandatory reporting.

“Conducted in Hong Kong” (Please read Q8 to Q9 first)

Q20. What is a “conducted in Hong Kong” transaction?

For an AI, AMB or LC, a transaction is regarded as “conducted in Hong Kong” if:

- (a) one of the individuals who made the decision to enter into the transaction was a trader who was employed or engaged by the AI, AMB or LC to perform his or her duties predominantly in Hong Kong (i.e. a Hong Kong trader); and
- (b) the transaction was:
 - (i) conducted on behalf of an affiliate of the AI, AMB or LC, and was booked in that affiliate; or
 - (ii) conducted by the Hong Kong branch of an overseas incorporated AI on behalf of its head office or on behalf of any of its overseas branches, and was booked in such head office or overseas branch.

Please note that the term “affiliate” refers to a corporation that is within the same group of companies as the AI, AMB or LC but does not include a corporation that is a collective investment scheme as defined in the SFO.

Q21. Sales activities

We have OTC derivative transactions that originated in Hong Kong but were booked in an affiliate in London. It is the staff in Hong Kong that contacts the clients, giving them price quotations and accepting their orders. Are these “conducted in Hong Kong” transactions that are required to be reported?

A key characteristic of a “conducted in Hong Kong” transaction is that a Hong Kong trader is involved in making the decision of entering into the transaction. A person who only undertakes pure sales activities (i.e. whose role is only that of a salesman

negotiating between a client and a trader) will not be regarded as a trader, even if the person is able to adjust the price offered to the client to achieve a desired sales credit.

If the Hong Kong staff only negotiate the transactions between clients and traders, and the traders responsible for the decision to enter into the transactions are not Hong Kong traders, the transactions will not be regarded as “conducted in Hong Kong” transactions.

If the traders that the Hong Kong staff negotiate with are Hong Kong traders, or if the Hong Kong staff that are client facing are also the traders, or act or perform the functions of traders even though they are employed as sales persons, the transactions will be regarded as “conducted in Hong Kong” and will have to be reported.

Q22. Regional trading office

My institution is an overseas incorporated bank. Our Hong Kong branch serves as the regional trading office for OTC derivative transactions in that the Hong Kong traders are responsible for deciding whether to enter into transactions originating from branches in the Asia Pacific region, but the transactions are still booked in the respective originating branches. Are these transactions required to be reported?

These transactions fit the definition of “conducted in Hong Kong” and so should be reported.

Conversely, transactions originating from the Hong Kong branch but attributable to traders outside Hong Kong will not be regarded as “conducted in Hong Kong” transactions. Nonetheless, such transactions may still need to be reported if they are booked in the Hong Kong branch as they will fall under the counterparty limb (see Q8).

Q23. Secondment

My institution is an AI/LC. An affiliate of my institution in the US has seconded a trader to the Hong Kong branch/office of my institution for 3 months. Transactions entered into by this trader during this time will be booked in either the Hong Kong branch/office of my institution or the US affiliate of my institution. Should these transactions be reported?

Transactions booked in the Hong Kong branch/office of your institution fits the counterparty limb (see Q8) and should therefore be reported.

Transactions booked in the US affiliate of your institution fits the “conducted in Hong Kong” limb and should therefore also be reported. The analysis is as follows. A “conducted in Hong Kong” transaction should involve a trader that is engaged by the AI, AMB or LC to perform his or her duties predominantly in Hong Kong. This

would include a secondment arrangement to Hong Kong because under such an arrangement, the trader would be performing his duties predominantly in Hong Kong during the secondment period.

Conversely, for traders who are normally based in Hong Kong but who are temporarily seconded to work in an overseas branch or affiliate of an AI/AMB/LC, transactions that they have conducted during their overseas secondment will not be regarded as “conducted in Hong Kong” transactions.

When assessing whether a trader should be regarded as having been seconded to (or out of) Hong Kong, a reporting institution should act reasonably and sensibly, taking into account all relevant facts and circumstances (e.g. the specific secondment arrangements, the formal contractual agreement, the account assigned to the trader in the seconded site, etc). In case of doubt, reporting entities may consult either the HKMA or the SFC. Additionally, reporting entities are reminded to keep sufficient records so that, if necessary, they are able to clarify the basis for the particular approach they have taken.

Q24. Transactions entered into during business trips

(A) I am a Hong Kong trader. I may enter into OTC derivative transactions outside Hong Kong during business trips. Are these transactions required to be reported?

Yes, they are. If your transactions are booked in your institution (or the Hong Kong branch of your institution if your institution is an overseas incorporated AI), they will be caught by the counterparty limb (see Q8). If your transactions are booked in an affiliate of your institution, or (if your institution is an overseas incorporated AI) if your transactions are booked in the head office or an overseas branch, they are caught by the “conducted in Hong Kong” limb as you are a Hong Kong trader who works predominantly in Hong Kong.

We expect reporting entities and traders to take a sensible and reasonable approach when assessing if an arrangement should be regarded as a business trip or as a secondment. (Generally, we expect business trips would be brief or temporary in nature so as to have no impact on where the trader predominantly works.) In case of doubt, reporting entities may consult either the HKMA or the SFC. Additionally, reporting entities are reminded to keep sufficient records so that, if necessary, they are able to clarify the basis for the particular approach they have taken.

(B) I am a trader in the Singapore branch of an overseas incorporated bank. Sometimes I enter into OTC derivative transactions during business trips to Hong Kong. These transactions are booked in the Singapore branch. Are these transactions required to be reported?

It is unlikely that such transactions will be reportable. Firstly these transactions are not booked in the Hong Kong branch so they are not caught by the counterparty limb (see Q8). Secondly, since you are not a trader predominantly performing your duties in Hong Kong, your transactions are therefore not caught by the “conducted in Hong Kong” limb. However, again, reporting entities and traders should adopt a reasonable and sensible approach when assessing if their visits to Hong Kong constitute business trips or a secondment, and in case of doubt, reporting entities should consult either the HKMA or the SFC.

Q25. Transactions involving multiple traders

In my institution, the decision to enter into OTC derivative transactions involves 2 traders – a junior trader in Hong Kong and a senior trader outside Hong Kong. Are we correct in thinking that such transactions will not be regarded as transactions that are “conducted in Hong Kong” (i.e. because the senior trader is not a Hong Kong trader)?

No, as long as one of the persons responsible for the decision to enter into the transaction is a Hong Kong trader, the transaction will still be regarded as a “conducted in Hong Kong” transaction.

Q26. Transactions in global book

How will the “conducted in Hong Kong” concept apply to transactions that are entered in a global book of my institution?

For transactions booked in a global book, if the trader identified as responsible for the decision to enter into the transaction is a Hong Kong trader, the transaction will be regarded as a “conducted in Hong Kong” transaction and hence have to be reported. Once a transaction is reported to the HKMA, any subsequent events relating to the transaction will have to be reported as well, even if these subsequent events are handled by other traders outside Hong Kong. Conversely, if a Hong Kong trader is not responsible for the decision to enter into the transaction, even if he or she may be involved in handling subsequent events relating to the transaction, neither the transaction nor the subsequent event will be reportable.

For a reporting entity that is unable to identify which transactions in its global book were decided by which traders, the reporting entity is expected to report, at a minimum, all transactions entered into during the period when the global book was managed by a Hong Kong trader. All subsequent events relating to such transactions are also expected to be reported to the HKMA.

Q27. Transactions executed on electronic trading platform

How will the “conducted in Hong Kong” concept apply to transactions executed on an electronic trading platform?

Transactions executed on an electronic trading platform should be reported if the person who sets the parameters of the key economic terms (in particular, pricing parameters) that will apply to transactions that are executed on the platform is a Hong Kong trader. In such case, the Hong Kong trader will be regarded as being responsible for the decision to enter into these transactions. On the other hand, if the parameters of the key economic terms were previously set (or modified) by a trader outside Hong Kong, but the latest modification was by a Hong Kong trader and in a manner that altered the pricing parameters of a transaction before it was executed, then the Hong Kong trader will be regarded as responsible for the final decision to enter into the transaction, and the transaction will have to be reported to the HKMA via the HKTR. In fact, the Hong Kong trader will thereafter continue to be regarded as setting the parameters of the key economic terms for transactions executed on the platform, until the parameters are next modified by another trader.

Q28. Transactions entered into for a third party other than an affiliate

Should I report a transaction that I have entered into on behalf of a client which is not an affiliate of my institution?

We assume that the counterparties to the transaction are the client and a third party institution. (In other words, we assume this is not a case where the counterparties are your institution and a third party institution with a back-to-back transaction between your institution and the client.) We assume also that neither the client nor the third party institution is affiliate of your institution.

Subject to the above assumptions, this transaction will not be reportable as it will not fall within either of the reporting limbs described in Q8.

How to report

Q29. How should my institution prepare for reporting via the HKTR?

An entity that has a reporting obligation must become a HKTR member, even if it plans to report through an agent (see Q31). Information on application for HKTR membership is available on the HKTR website: <https://hktr.hkma.gov.hk/>. Entities intending to report through an agent need to follow the agent nomination procedure set out in the HKTR Reporting Manuals. Completion of simulation test to the satisfaction of the HKTR operator is a must before an entity will be accepted for reporting. Simulation test consists of two parts of testing (i.e scenario test and

product specified test). This applies to both (i) direct submission entities (i.e. those who report transaction by themselves and are not using reporting agent) and (ii) reporting agents. For reporting entities using reporting agents, they are also required to take the scenario test and encouraged to take the product specified test. An entity must therefore reserve sufficient time for the HKTR operator to process its membership application and to complete the simulation test in its planning for complying with the reporting obligation. The membership process usually takes about two weeks from the time all relevant documentation is received. The test normally take about a week (depending on a prospective member's systems), and have to be pre-scheduled as per the timetable issued by the HKTR operator. Entities should therefore ensure they have allowed for sufficient lead time.

Q30. Is there any technical guidance on how to report a transaction?

See Q1.

Q31. Can I appoint an agent to report to the HKMA?

Yes. An entity can appoint an agent to report an OTC derivative transaction (and subsequent events and daily valuation information relating to an OTC derivative transaction) to the HKMA to fulfil its reporting obligation. Despite any agency arrangement, the reporting obligation will still rest with the reporting entity itself. Therefore, the reporting entity must monitor the reporting by its reporting agent, e.g. through access to the HKTR, to ensure that its reporting obligation has been fulfilled. Any report submitted by a reporting agent must follow the HKTR requirements on agency reporting (e.g. it must indicate that the report is submitted for the reporting entity and identify who that reporting entity is).

Q32. If I have already reported a transaction to an overseas trade repository (“TR”), will I be considered to have fulfilled my reporting obligation in respect of that transaction?

No. A reporting obligation is considered fulfilled only when the report reaches the HKMA via the HKTR (unless any exemption or relief applies). A reporting entity may appoint an agent, including an overseas TR, to submit reports via the HKTR on its behalf. The HKTR reporting templates have been designed to align as far as possible with those of overseas TRs as we anticipate some market participants may appoint overseas TRs as their reporting agent (see Q31).

Q33. If my institution has “conducted in Hong Kong” a transaction on behalf of its affiliate and the affiliate has already reported the transaction to the HKMA via the HKTR, do I need to report the transaction again?

If the affiliate of your institution has already reported this transaction to the HKMA via the HKTR, your obligation to report is taken to have been complied with if you have received in good faith a written confirmation from the affiliate that: (i) it has

reported the transaction to the HKMA via the HKTR; and (ii) that the transaction has been reported in accordance with the requirements of the Reporting Rules. Therefore if you intend to rely on reporting by an affiliate to discharge your reporting obligation, it will be necessary to establish a mechanism to ensure that confirmations for all relevant transactions have been received from the affiliate and adequate records of such confirmations have been maintained. Reporting entities should also ensure that appropriate arrangements are made for the reporting of any subsequent events and the daily valuation information relating to transactions reported by an affiliate to ensure compliance with the reporting requirements. .

Q34. Is over-reporting or voluntary reporting allowed?

There is no prohibition on over-reporting, i.e. reporting transactions that are not required to be reported under the Reporting Rules. (For example, an entity may backload all outstanding transactions even if they are due to mature or be terminated before the expiry of the grace period and hence not subject to reporting – see Q3) However, to maintain the integrity of data in the HKTR, once an AI, AMB, LC, RCH or ATS-CCP has reported a transaction voluntarily, any subsequent events and daily valuation information relating to that transaction are required to be reported, and this must be done in the time and manner prescribed in the Reporting Rules (see Q36, Q37 and Q38 .

Q35. How should we report transactions that are within the reportable scope but cannot be reported in full because of limitations in the HKTR system?

Special product features: If a transaction involves special product features that are not supported by the current reporting templates, it is acceptable to report information about the transaction only to the extent supported by the templates. For information, currently the TR templates can accommodate the following special features for interest rate swaps:

- (a) option to cancel transaction;
- (b) amortizing/accreting notional; and
- (c) early termination provision.

Information not supported by the current reporting templates: When there are key information relating to the core economic terms that materially affect the pricing of the transaction but the current reporting templates do not have the relevant data fields to capture such key information, the reporting entity should report a “Yes” value in the data field “Special Terms Indicator”. No further details are required to be reported at the time of reporting, but the relevant regulator may, where appropriate or necessary, contact the reporting entity if it requires such details.

Revised international standards: Similarly, if a reporting entity cannot submit transaction information according to revised international standards (e.g. the currency code of a currency changes from XYD to XZD) because more time is needed to adjust the HKTR system to cater for the revised standards, the reporting entity should continue to report the transaction information using the original standards. The HKMA will announce special arrangements to deal with the reporting of affected transactions, including clarifying when the HKTR will start accepting transaction information using the revised international standards, and by when existing data in the HKTR has to be amended to conform to the revised standards. Sufficient lead time will be given in this regard so that institutions can have time to complete necessary systems enhancement to adapt to the revised standards.

Other limitations: The HKTR system limitations described above would still allow reports of the affected transactions to be submitted via the HKTR with all relevant data fields completed. However, there may be cases where an HKTR system limitation may prevent a reporting entity from reporting a transaction with all relevant fields completed (e.g. if the value of the transaction is so high that the existing data field in the HKTR's reporting template cannot accommodate it). In such cases, the reporting entity must contact the HKMA, which will then make special arrangements to receive the report of the transaction.

Time allowed to report

Q36. What is the time allowed to report a transaction or an event?

In general, a transaction (or subsequent event) should be reported within two business days of the trade execution (or occurrence of the subsequent event), i.e. on a T+2 basis, in order to fulfil the reporting obligation.

Under phase 2 Reporting Rules, daily valuation information is required also on a T+2 basis.

(See Q3 for the transitional arrangement and Q6 and Q7 for when the reporting obligation may apply to a person for the first time.)

What to report

Q37. What transaction information should be reported?

Please refer to the HKTR Reporting Manuals which are available at <https://hktr.hkma.gov.hk/>.

The information required to be reported are as published in the Government Gazette (G.N. 3912 of 2016) under the five asset classes (Rates, FX, Equities, Credit, and Commodity). Daily valuation information related to reportable transactions should also be reported.

Moreover, reports submitted via the HKTR must be completed on the templates provided. The data fields on the templates fall under 3 categories: (i) mandatory; (ii) mandatory if applicable; and (iii) optional. The data fields designated as mandatory and mandatory if applicable must be completed as applicable, otherwise the report may be rejected and the reporting entity will have failed to fulfil the reporting obligation. Note that this classification is for system validation of a report submission and is not an indication of whether it is mandated under the Reporting Rules, i.e. a system optional field under (iii) is still required if it is published in the Government Gazette.

Q38. What are the requirements for reporting transaction identifying references, and where can we find more details about these requirements?

A report of a transaction submitted pursuant to the Reporting Rules must contain certain transaction identifying references as such information will be critical to data analyses. Specifically, reporting entities are required to provide: (i) a transaction reference, which may be an internal reference; and (ii) a unique transaction identifier (UTI) which must be agreed between the counterparties and meet certain standards and requirements. For details of how to report transaction identifying references, please refer to the SRI.

Q39. My institution has a trade to report to the HKMA that has both a USI generated according to the US regulations and a TID generated according to the EU regulations, which one should I report?

You should report both.

Q40. How can I obtain a UTI if I do not have one?

You may:

- (a) execute, match or clear your transactions on or through an electronic platform that is capable of generating a USI or TID;
- (b) rely on the counterparty to your transaction to generate a USI or TID for the transaction, assuming it has the capability to do so; or
- (c) agree on a UTI with the counterparty to your transaction, provided the UTI is unique and shared and paired between the two counterparties.

The Reporting Rules do not prescribe the mechanism for determining which of the two counterparties is to be responsible for generating the UTI. We also do not propose to mandate the use of any particular format or process for generating a bilaterally agreed UTI. It is our plan to adopt the global standard of UTI after taking into account international implementation timetable.

In the meantime, reporting entities are encouraged to adopt standard mechanisms/practices promoted by industry associations. Reporting entities should ensure that matters relating to the reporting of UTIs are clarified with their counterparty at the time of entering into a transaction.

Q41. What is a “subsequent event”?

The term “subsequent event” is defined in the Reporting Rules to cover any event which occurs after the transaction was entered into, and which affects: (i) the terms and conditions on which the transaction was entered into; or (ii) the persons involved in entering into the transaction. In brief, it includes any event that affects key economic terms (e.g. any change in the notional amount, rate, counterparty etc.) of the transactions reported via the HKTR but does not include an event that occurs naturally and in accordance with the agreed terms and conditions (e.g. periodical fixings and natural maturity of the transaction, or changes in accordance with a predetermined schedule). Although changes in accordance with a predetermined schedule are not considered subsequent events, they are however required to be reported to facilitate regulatory monitoring. Further technical guidance on “subsequent events”, and how they are to be reported, is given in the SRI annexed to the AIDG.

Q42. We cannot identify information for the data field “Execution Type” in our systems for outstanding transactions entered into prior to 1 July 2017. What should we fill in for this data field?

For backloading outstanding transactions which were entered into prior to 1 July 2017, reporting entities may follow their internal classification to determine which option to choose, i.e. “Electronic”, “Written” or “Voice”. We do not prescribe the way they classify the type of execution of a transaction. Description of each execution option is provided in accordance with FpML standards, reporting entities may choose the one that best matches their own case. For instance, emails may also be considered as electronic means.

Q43. How about for transactions entered into after 1 July 2017, where we are unable to identify information for the data field “Execution Type”? Is it acceptable if the field is populated with the value “Electronic” if most of the transactions are executed electronically?

As stated in Q42, we do not prescribe the way in which reporting entities classify the type of execution of a transaction. If reporting entities are unable to identify information for the data field “Execution Type”, it is acceptable to adopt “Electronic” if most of the transactions are executed electronically.

Masking of counterparty identity

Q44. How can my institution report transactions that are subject to a prohibitive legal or regulatory limitation? (See also Q47.)

If the submission of counterparty identifying particulars is prohibited in a jurisdiction that has been designated by the SFC, your institution may report the transactions via the HKTR with the counterparty identifying particulars masked. For more detailed technical guidance, please refer to the SRI. The list of designated jurisdictions for this purpose is as at [Annex 3](#).

Q45. Is there any specific action that an institution is required to take in order to verify that Rule 26(1)(a)(i) is satisfied (i.e. to verify the existence of a prohibitive legal or regulatory limitation)?

The list of jurisdictions is not intended to enable institutions to automatically mask particulars when transacting with counterparties from any of those jurisdictions. Rather, institutions should carry out some reasonable due diligence to ensure that barriers to disclosure still exist in the relevant jurisdiction, and that those barriers still prevent disclosure of counterparty particulars in respect of the particular transaction in question. This does not entail obtaining a formal legal opinion to support masking in a particular case, but would, at a minimum, require them to keep abreast of developments that might trigger changes which effectively allow the reporting of counterparty identifying particulars in a particular case. (So, for example, if barriers in jurisdiction X cease to apply in respect of certain types of transactions, or transactions entered into after a particular date, then institutions that enter into such types of transactions, or transactions after such date, should no longer be submitting masked particulars.)

Q46. Can I rely on the masking provision with respect to the counterparty consent limitation (i.e. the limitation that prevents a person from submitting counterparty identifying particulars because the counterparty’s consent is required and, despite reasonable efforts, the person cannot get such consent) for new transactions?

Masking of counterparty identity information for reportable transactions on the ground of counterparty consent limitation is only applicable for transactions entered

into before 10 January 2016. Transactions entered into on or after this date will not be entitled to such masking relief.

Q47. The SFC has revoked the designation of a jurisdiction which was previously identified as having a prohibitive legal or regulatory limitation. What should we do if we have previously reported transactions on a masked basis in view of this designation?

The revocation of a designation status will invariably be triggered by a change in the relevant prohibitive legal or regulatory limitation. The consequences of a revocation will therefore differ depending on the nature and impact of the particular change as summarised below:

- (a) If a change in the prohibitive legal or regulatory limitation does not apply to a transaction that was previously reported to the HKMA on a masked basis, then the transactions may remain masked. (For example, if the prohibitive legal or regulatory limitation is uplifted but only in respect of future transactions, and not in respect of existing transactions, then the change would not trigger further obligations under the Reporting Rules, and the counterparty particulars may remain masked.)
- (b) On the other hand, if a change in the prohibitive legal or regulatory limitation does apply to a transaction that was previously reported to the HKMA on a masked basis, then, as the reporting entity, you must submit counterparty identifying particulars within 3 months after the day on which the SFC revokes the designation of the jurisdiction in question, unless the customer consent limitation (see Q46) applies and the customer consent cannot be obtained by the end of the 3-month period, despite reasonable efforts. In that case, the counterparty identifying particulars must be supplemented within 1 month after the day on which the counterparty consent limitation ceases to apply (i.e. within 1 month after the counterparty has provided the relevant consent).

Q48. Is it necessary to supplement counterparty identifying particulars in respect of outstanding transactions that were previously reported on a masked basis but which will mature or be terminated before the deadline for supplementing the information?

No, there is no need to supplement counterparty identifying particulars in such cases. (This is notwithstanding whether the masking relief previously relied on stemmed from a legal or regulatory limitation or from a counterparty consent limitation.) However, this does not preclude a reporting entity from doing so voluntarily.

Q49. What is the procedure for proposing additional jurisdictions to the prescribed list of jurisdictions to which the masking relief applies?

The masking relief is intended as a temporary/transitory measure only. The HKMA and SFC expect that the list to be shortened, not lengthened, over time as more jurisdictions resolve issues relating to barriers to trade reporting. We will also continue to monitor international development in this area when considering which designations should remain and which should be revoked.

Notwithstanding the above, if reporting entities consider that there are strong and exceptional circumstances which justify the addition of certain jurisdiction(s) to the list, they may write to either the HKMA or the SFC (at the addresses set out below) to voice their views and concerns. Reporting entities will be expected to explain and justify the exceptional circumstances that necessitate the proposed addition (including, if necessary, providing details of relevant transactions that are or may be affected). The submission must also be supported by a legal opinion citing the particular legal provision(s) that constitute(s) the prohibitive legal or regulatory limitation under the laws of that jurisdiction, and explain why such provision(s) did not previously pose a barrier or (if new) were added subsequently. Additionally, if the jurisdiction is not included in similar lists adopted by other major financial centres, the reporting entity will need to provide further justification as to why the addition is needed for the purposes of the reporting obligation in Hong Kong. Reporting entities should also note that requests to add jurisdictions to the prescribed list will be scrutinised closely, and will not be acceded to lightly. The HKMA and SFC will consider each proposal on a case by case basis, taking into account international regulatory practices. The processing time for each proposal will depend on the merits of the case and the completeness of information provided to the regulators.

**Financial Stability Surveillance Division
Hong Kong Monetary Authority
55/F Two International Finance Centre
8 Finance Street
Central
Hong Kong**

**Supervision of Markets Division
Securities and Futures Commission
54/F One Island East
18 Westlands Road
Quarry Bay
Hong Kong**

Record keeping

Q50. What records do I need to keep in relation to the reporting obligation?

The list of records to be kept is set out in Schedule 2 to the Reporting Rules.

Q51. For how long the records should be kept?

Records of a reportable transaction must be kept while the transaction is outstanding and for a further 5 years after the transaction matures or is terminated.

Specification of AI's subsidiaries

Q52. What criteria will the HKMA adopt when specifying subsidiaries of an AI whose OTC derivative transactions must be reported to the HKMA?

The HKMA has conducted several rounds of surveys on OTC derivatives activities of subsidiaries of the locally incorporated AIs since the implementation of the Reporting Rules. The survey results indicated that the scales of OTC derivatives activities of subsidiaries relative to their respective AI groups were either insignificant, or that such activities have been subject to comparable reporting obligation to TRs/TR-like entities in those jurisdictions where the subsidiaries are incorporated. The HKMA, therefore, does not consider it currently necessary to specify subsidiaries of any AIs for the purpose of the mandatory reporting obligation. However, the HKMA will continue to monitor AIs' OTC derivatives activities, and may implement such requirement in the future, if necessary.

Consequences of breaches

Q53. What are the consequences if my institution breaches the reporting or related record keeping obligations?

Compliance with the reporting and related record keeping obligations is a legal requirement. In the event of a breach, the HKMA (in the case of a breach by an AI or AMB) or the SFC (in the case of a breach by any other person) may apply to the Court of First Instance, which may then inquire into the case. If satisfied that there is no reasonable excuse for the breach, the Court may impose a financial penalty of up to HKD 5 million. Additionally, the HKMA (in the case of a breach by an AI or AMB) and the SFC (in the case of a breach by an LC) may take disciplinary action against the reporting entity in respect of the breach.

Reporting for the purpose of implementing interest rate benchmark reforms

Q54. We have reported an IBOR-referenced OTC derivative transaction to the HKMA via the HKTR. Is an amendment to this transaction for the purpose of implementing interest rate benchmark reforms required to be reported under the phase 2 Reporting Rules? *(Added on 23 November 2021)*

Amending the contract of a reported transaction to include fallback provisions (such as referencing to a fallback rate or adhering to the 2020 IBOR Fallbacks Protocol) for the purpose of transitioning away from interbank offered rates ("IBORs") is not by itself a reportable event.

When a replacement of an IBOR by a fallback rate or alternative reference rate is triggered and the economic value of the existing transaction is now based on the new replacement rate (regardless of whether the replacement takes place upon the cessation of the referenced IBOR or on an agreed date prior to its cessation), reporting entities should report the changes as an amendment event within the usual T+2 reporting timeframe (“T” here is interpreted as the date of the trigger of the replacement rate).

Alternatively, if the counterparties to the transaction opt to execute the amendment by terminating the existing transaction and entering into a new transaction with a new rate or new terms, both actions of termination and entry are subject to the reporting requirements under the phase 2 Reporting Rules.

When a reporting entity reports an alternative reference rate, it should select the appropriate field value from the HKTR floating rate coding scheme, which has included the new benchmark rates and the new rate definitions in the 2021 ISDA Interest Rate Derivatives Definitions (“2021 Definitions”). When there is a conflict between the counterparties of reporting a rate in the 2021 Definitions or an earlier version, reporting entities should report the rate in the 2021 Definitions. Reporting entities are, however, not required to report whether an alternative reference rate is a voluntary conversion or a result of a fallback application.

Hong Kong Monetary Authority
Securities and Futures Commission
23 November 2021

Annex 1 – List of prescribed stock markets and futures markets

As of 27 April 2018

1. Athens Exchange Derivatives Market operated by Hellenic Exchanges – Athens Stock Exchange S.A.
2. Athens Exchange Securities Market operated by Hellenic Exchanges – Athens Stock Exchange S.A.
3. Baden-Wuerttembergische Wertpapierbörse (Regulierter Markt) operated by Börse Stuttgart AG
4. Bolsa de Madrid operated by Sociedad Rectora de la Bolsa de Valores de Madrid, S.A., Sociedad Unipersonal
5. Bourse de Luxembourg operated by Société de la Bourse de Luxembourg S.A.
6. Budapesti Értéktőzsde (Budapest Stock Exchange) operated by Budapesti Értéktőzsde Zártkörűen Működő Részvénytársaság
7. Electronic Bond Market operated by Borsa Italiana S.p.A.
8. Electronic Open-end Funds and ETC Market operated by Borsa Italiana S.p.A.
9. Electronic Share Market operated by Borsa Italiana S.p.A.
10. Eurex Deutschland operated by Eurex Frankfurt AG
11. Euronext Brussels Derivatives operated by Euronext Brussels N.V./S.A.
12. Euronext Brussels operated by Euronext Brussels N.V./S.A.
13. Euronext Lisbon operated by Euronext Lisbon – Sociedad Gestora de Mercados Regulamentados, S.A.
14. Euronext Paris operated by Euronext Paris S.A.
15. European Energy Exchange operated by European Energy Exchange AG
16. Frankfurter Wertpapierbörse (Regulierter Markt) operated by Deutsche Börse AG
17. Frankfurter Wertpapierbörse Xetra (Regulierter Markt) operated by Deutsche Börse AG

18. Italian Derivatives Market operated by Borsa Italiana S.p.A.
19. London Stock Exchange Derivatives Market operated by London Stock Exchange plc
20. London Stock Exchange – Regulated Market operated by London Stock Exchange plc
- 20A. Main Securities Market operated by The Irish Stock Exchange plc (*L.N. 34 of 2018*)
21. Market for Investment Vehicles (MIV) operated by Borsa Italiana S.p.A.
22. MEFF Exchange operated by MEFF Sociedad Rectora del Mercado de Productos Derivados, S.A., Sociedad Unipersonal
23. MEFF – Segmento Derivados Energía operated by MEFF Sociedad Rectora del Mercado de Productos Derivados, S.A., Sociedad Unipersonal
24. Mercado Continuo Español operated by Sociedad Rectora de la Bolsa de Valores de Madrid, S.A., Sociedad Unipersonal
25. NASDAQ OMX Copenhagen A/S operated by NASDAQ OMX Copenhagen A/S
26. NASDAQ OMX Helsinki (Arvopaperipörssi) operated by NASDAQ OMX Helsinki Ltd.
27. NASDAQ OMX Stockholm AB operated by NASDAQ OMX Stockholm AB
28. NYSE Euronext – Euronext Amsterdam operated by Euronext Amsterdam N.V.
29. Oslo Axess operated by Oslo Børs ASA
30. Oslo Børs ASA operated by Oslo Børs ASA
31. Securitised Derivatives Market operated by Borsa Italiana S.p.A.
32. The London International Financial Futures and Options Exchange (LIFFE) operated by LIFFE Administration and Management
33. Warsaw Stock Exchange/Bonds/Catalyst/Main Market operated by Warsaw Stock Exchange S.A.

34. Warsaw Stock Exchange/Commodity Derivatives operated by Warsaw Stock Exchange S.A.
35. Warsaw Stock Exchange/Equities/Main Market operated by Warsaw Stock Exchange S.A.
36. Warsaw Stock Exchange/ETPs operated by Warsaw Stock Exchange S.A.
37. Warsaw Stock Exchange/Financial Derivatives operated by Warsaw Stock Exchange S.A.
38. Wiener Börse AG Amtlicher Handel (Official Market) operated by Wiener Börse AG
39. Wiener Börse AG Geregelter Freiverkehr (Second Regulated Market) operated by Wiener Börse AG
40. Any stock markets or futures markets operated by the following market operators—
 - (a) Asia Pacific Exchange Limited;
 - (b) ASX Limited;
 - (c) Australian Securities Exchange Limited;
 - (d) BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros;
 - (e) Board of Trade of the City of Chicago, Inc.;
 - (f) Borsa Istanbul Inc.;
 - (g) BOX Options Exchange LLC;
 - (h) BSE Ltd.;
 - (i) Bursa Malaysia Derivatives Berhad;
 - (j) Bursa Malaysia Securities Berhad;
 - (k) CBOE Futures Exchange, LLC;
 - (l) Chicago Board Options Exchange, Incorporated;

- (m) Chicago Mercantile Exchange, Inc.;
- (n) China Financial Futures Exchange;
- (o) Commodity Exchange, Inc.;
- (p) Dalian Commodity Exchange;
- (q) Dubai Mercantile Exchange Limited;
- (r) Eurex Zürich AG;
- (s) Euronext UK Markets Limited;
- (t) FEX Global Pty Ltd.;
- (u) *(Repealed L.N. 34 of 2018)*
- (ua) Hanoi Stock Exchange; *(L.N. 34 of 2018)*
- (ub) Hochiminh Stock Exchange; *(L.N. 34 of 2018)*
- (v) ICE Futures Canada, Inc.;
- (w) ICE Futures Europe Limited;
- (x) ICE Futures U.S., Inc.;
- (y) Indonesian Stock Exchange;
- (z) International Securities Exchange, LLC;
- (za) JSE Limited;
- (zb) Korea Exchange, Inc.;
- (zc) Mercado Mexicano de Derivados, S.A. de C.V.;
- (zca) Miami International Securities Exchange, LLC; *(L.N. 34 of 2018)*
- (zd) Minneapolis Grain Exchange, Inc.;
- (ze) Montréal Exchange Inc.;

- (zf) Multi Commodity Exchange of India Limited;
- (zg) Nagoya Stock Exchange, Inc.;
- (zh) NASDAQ OMX PHLX LLC;
- (zi) National Commodity & Derivatives Exchange Limited;
- (zj) National Stock Exchange of Australia Limited;
- (zk) National Stock Exchange of India Limited;
- (zl) New York Mercantile Exchange, Inc.;
- (zm) New York Stock Exchange LLC;
- (zn) New Zealand Exchange Limited;
- (zo) NYSE Arca, Inc.;
- (zp) NYSE MKT LLC;
- (zq) OJSC Moscow Exchange MICEX-RTS;
- (zr) OneChicago, LLC;
- (zs) Osaka Exchange, Inc.;
- (zsa) Pakistan Stock Exchange; (*L.N. 34 of 2018*)
- (zt) Shanghai Futures Exchange;
- (zta) Shanghai International Energy Exchange Co., LTD; (*L.N. 34 of 2018*)
- (zu) Shanghai Stock Exchange;
- (zv) Shenzhen Stock Exchange;
- (zw) SIM Venture Securities Exchange Ltd.;
- (zx) Singapore Exchange Derivatives Trading Limited;
- (zy) Singapore Exchange Securities Trading Limited;

- (zz) SIX Structured Products Exchange Ltd.;
- (zza) SIX Swiss Exchange Ltd.;
- (zzab) Taipei Exchange (previously GreTai Securities Market); (*L.N. 34 of 2018*)
- (zzac) Taiwan Stock Exchange Corporation; (*L.N. 34 of 2018*)
- (zzb) Tel Aviv Stock Exchange Ltd.;
- (zzc) Thailand Futures Exchange Public Company Limited;
- (zzd) The London Metal Exchange Limited;
- (zze) The NASDAQ Stock Market LLC;
- (zzf) The Philippine Stock Exchange, Inc.;
- (zzg) The Stock Exchange of Thailand;
- (zzh) The Taiwan Futures Exchange Corporation;
- (zzi) Tokyo Commodity Exchange, Inc.;
- (zzj) Tokyo Financial Exchange Inc.;
- (zzk) Tokyo Stock Exchange, Inc.;
- (zzl) TSX Inc.;
- (zzm) Turkish Derivatives Exchange;
- (zzn) Zhengzhou Commodity Exchange.

Annex 2 – List of prescribed clearing houses

As of 27 April 2018

1. Asigna, Compensación y Liquidación
2. ASX Clear (Futures) Pty Limited
3. ASX Clear Pty Limited
4. Athens Exchange Clearing House S.A.
5. BME Clearing S.A.
6. BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros
7. Bursa Malaysia Derivatives Clearing Berhad
8. Bursa Malaysia Securities Clearing Sdn. Bhd.
9. Canadian Derivatives Clearing Corporation
10. Cassa di Compensazione e Garanzia S.p.A.
11. CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH (CCP.A)
12. CDS Clearing and Depository Services Inc.
13. Chicago Mercantile Exchange, Inc.
14. China Financial Futures Exchange
15. China Securities Depository and Clearing Corporation Limited
16. CJSC JSCB National Clearing Centre
- 16A. Clearstream Banking S.A. (*L.N. 34 of 2018*)
17. Dalian Commodity Exchange
18. Eurex Clearing AG
- 18A. Euroclear Bank S.A./N.V. (*L.N. 34 of 2018*)
19. European Central Counterparty N.V.
20. European Commodity Clearing AG
21. (*Repealed L.N. 34 of 2018*)
22. ICE Clear Canada, Inc.

23. ICE Clear Europe Limited
24. ICE Clear U.S., Inc.
25. India Clearing Corporation Limited
26. Indonesian Clearing and Guarantee Corporation
27. Istanbul Clearing, Settlement and Custody Bank Inc. (Takasbank)
28. Japan Commodity Clearing House Co., Ltd.
29. Japan Securities Clearing Corporation
30. JSE Clear (Pty) Ltd.
31. KDPW_CCP S.A.
32. KELER Central Counterparty Ltd.
33. Korea Exchange, Inc.
34. LCH.Clearnet Limited
35. LCH.Clearnet S.A.
36. LME Clear Ltd.
37. MAOF (Derivatives) Clearing House Ltd.
38. Minneapolis Grain Exchange, Inc.
39. Multi Commodity Exchange of India Limited
40. NASDAQ OMX Clearing AB
- 40A. National Clearing Company of Pakistan Limited (*L.N. 34 of 2018*)
41. National Securities Clearing Corporation
42. National Securities Clearing Corporation Limited
43. New Zealand Clearing Limited
44. Oslo Clearing ASA
45. Securities Clearing Corporation of the Philippines
46. Shanghai Futures Exchange
- 46A. Shanghai International Energy Exchange Co., LTD (*L.N. 34 of 2018*)

47. Singapore Exchange Derivatives Clearing Limited
48. SIX SIS AG
49. SIX X-Clear Ltd.
50. Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., Sociedad Unipersonal
- 50A. Taipei Exchange (previously GreTai Securities Market) (*L.N. 34 of 2018*)
- 50B. Taiwan Stock Exchange Corporation (*L.N. 34 of 2018*)
51. TASE Clearing House Ltd.
52. Thailand Clearing House Co., Ltd.
53. The Central Depository (Pte) Limited
54. The Options Clearing Corporation
55. The Taiwan Depository & Clearing Corporation
56. The Taiwan Futures Exchange Corporation
57. Tokyo Financial Exchange Inc.
- 57A. Vietnam Securities Depository (*L.N. 34 of 2018*)
58. Zhengzhou Commodity Exchange

Annex 3 – List of jurisdictions for the purposes of the masking relief

As of 10 July 2015

1. Algeria
2. Argentina
3. Austria
4. Bahrain
5. Belgium
6. France
7. Hungary
8. India
9. Indonesia
10. Israel
11. Luxembourg
12. Pakistan
13. People's Republic of China
14. Samoa
15. Singapore
16. South Korea
17. Switzerland
18. Taiwan