



HONG KONG MONETARY AUTHORITY
香港金融管理局

29 July 2013

The Chief Executive
All Authorised Institutions

Dear Sir/Madam,

Launch of Reporting Service of the TR of the HKMA


I am glad to inform you that the Reporting Service of the over-the-counter (OTC) Derivatives Trade Repository (TR) of the HKMA is launched today. To encourage users to familiarise themselves with the operation of the Service early, the HKMA has decided not to charge any fees on users during an initial period after the inception of the Service. It is the intention of the HKMA to start charging only when the new legislation for mandating reporting and central clearing of OTC derivatives transactions takes effect, likely to be in the second quarter of 2014. The HKMA will notify users the date of commencement of charges when the effective date of the new legislation is certain.

Though no charge will be imposed on users at the moment, the HKMA believes that it is desirable to provide transparency to users on the tariff of TR service early to facilitate users to make budgetary preparations for the expected commencement of charges in the coming year. Please find attached at the Appendix the fee schedule of TR service. The fee schedule will also be incorporated into the relevant reference manuals of TR service, and updated to the webpage of the TR.

Taking this opportunity, we have also updated the Reference Manual of the Reporting Service to clarify some of the processes of the Service, including certain procedures for reporting OTC derivatives transactions to the TR, in response to the enquiries received. The updated Reference Manual of the Reporting Service, with the relevant changes tracked in the version history section, is also attached for your reference.

For any enquiries, please contact the TR of the HKMA at (852) 8100 3115 or e-mail to hktr@hkma.gov.hk.

Yours faithfully,

A handwritten signature in black ink, consisting of a large, sweeping loop followed by a smaller, more intricate flourish.

(Colin Pou)

Head, Payment Systems Operation Division
Financial Infrastructure Department

Encl.

c.c. Mr Rico Leung, Senior Director, Supervision of Markets, Securities and Futures
Commission

Fee schedule of TR Service

Reporting Service

- Monthly transaction maintenance fee of HK\$3 per outstanding transaction per month on a per-side basis, i.e. both reporting entities are subject to charge. The fee will be calculated with reference to the number of outstanding transactions (transactions not yet matured) maintained at the TR on the last working day of each month
- Aggregate cap on transaction maintenance fee of HK\$1 million per reporting entity per annum. The cap applicable to a new user will be calculated on a pro-rata basis with reference to the remaining number of month-ends in the calendar year after the user starts reporting

Matching and Confirmation Service

- HK\$100 per trade event matched and confirmed on a per-side basis, i.e. both submitting parties are subject to charge
- No cap on the fee of matching and confirmation service