REPORTING SERVICE

RPT-1.   Registration and Onboarding

Q-RPT-1.1 Can an institution report to another TR to meet the mandatory reporting requirement in Hong Kong?

No.   The mandatory reporting requirement in Hong Kong requires reporting of OTC derivatives transactions to the HKTR only.

Q-RPT-1.2 It is noted that the HKTR also provides Matching and Confirmation Service. If an institution is intending to make use of both the Reporting Service and the Matching and Confirmation Service, is it necessary to register twice?

No.   The TR Membership will cover both Services.   But please note that the operational arrangements and technical requirements for the two Services can be different.

Q-RPT-1.3 If an institution is not subject to mandatory reporting requirement in Hong Kong, can the institution join the HKTR and make use of the Reporting Service?

No.   The Reporting Service is intended only for entities subject to mandatory reporting requirement in Hong Kong.   The HKTR, however, accepts an entity in anticipation of becoming subject to the mandatory requirement to register for the Service, so that it can make preparations for reporting.

Q-RPT-1.4 If an institution is a member of the Central Moneymarkets Unit (CMU) of the HKMA, is it necessary for the institution to register again for making use of HKTR service?

Yes.   TR Membership and CMU Membership are independent of each other.   A CMU member needs to register as a TR member for making use of HKTR service.

Q-RPT-1.5 If multiple entities in a corporate group are subject to mandatory reporting requirement, is it necessary for all those entities to join the HKTR as member?

Yes.   Each entity subject to mandatory reporting requirements is required to join the HKTR.   An entity, however, may appoint another entity as agent to report on its

behalf.

Q-RPT-1.6 How frequent are training sessions for new users being conducted?

Training sessions for new users are organised once every quarter. More frequent sessions will usually be arranged ahead of the introduction of new services or products, or when it is anticipated a large number of new users will come on board, for example due to introduction of new regulatory requirements.

The HKTR will announce the training schedule for the coming quarter before the end of each quarter. The latest training schedule can be found in the News and Circular section.

Q-RPT-1.7 How frequent are simulation tests for new users being conducted?

Industry wide simulation tests will be arranged ahead of the introduction of new services or products, or when it is anticipated a large number of new users will come onboard, for example due to introduction of new regulatory requirements. Additional simulation tests may be provided to new users on a case by case basis.

RPT-2.   Connectivity

Q-RPT-2.1 Can a TR Member connect to the HKTR for trade submission through more than one channel?

Yes.   TR Members may connect to the HKTR through multiple channels simultaneously.   TR Members, however, must ensure that there is no duplication of trade submission through the various channels.

Q-RPT-2.2 If a TR Member is subscribing to both the Reporting Service and the Matching and Confirmation Service of the HKTR, is it necessary to establish two separate connections with the HKTR, one for each type of Service?

No.   The same connection can be used to submit trades for both Services.

Q-RPT-2.3 Should a TR Member apply for access to the various trade submission channels through the HKTR?

No. TR Members should approach the relevant service providers to apply for and set up access to the respective channels, for example, SWIFT for SWIFTNet and HKICL for ICLNet.

Q-RPT-2.4 Are both 2048-bit and 1024-bit SSL certificate accepted by the HKTR system?

Yes.

RPT-3.   Reporting via Agent

Q-RPT-3.1 Which types of entity are eligible to act as reporting agent?

The HKTR does not specify the types of entity eligible to serve as reporting agent, nor does the HKTR recognise any entity for the purposes.   The agent can be a third party service vendor or another TR Member, including the counterparty to the TR Member in the transaction.

TR Members reporting via an agent remains primarily responsible for the accuracy and timeliness of reporting.   Reporting via an agent may constitute an outsourcing arrangement requiring prior approval of the relevant supervisory authorities.

Q-RPT-3.2 Does the HKTR accept overseas TRs to act as agent of TR Members?

Yes, as long as the overseas TRs nominated by TR Members can similarly meet the relevant technical, logistical and documentation requirements of the HKTR.

Q-RPT-3.3 Can a TR Member appoint multiple reporting agents?

Yes.   The TR Member, however, must ensure that there is no duplication of trade submission through the various agents.

Q-RPT-3.4 Can a TR Member submit trades directly to HKTR and via an agent simultaneously?

Yes.   The TR Member, however, must ensure that there is no duplication of trade submission through direct and indirect (via agent) reporting.

Q-RPT-3.5 How can a TR Member know whether its reporting agent has reported accurately and timely?

A TR Member can view the trades successfully reported by all its agents through the HKTR system on a real time basis.

Q-RPT-3.6 Can a TR Member report trades on behalf of the client counterparty?

Yes, if the client counterparty is also a TR Member and has appointed the TR Member as its reporting agent.

Q-RPT-3.7 Can the HKTR helps submit trades of TR Members to overseas TRs?

No.

RPT-4.   Operating Window

Q-RPT-4.1 If a report of trade event is submitted during the system outage window, will the report be stored by the system and automatically captured by the system when it resumes operation, or is it necessary to submit again after the system resumes operation?

No.   It is not necessary to submit again.   If a trade event file is submitted during the system outage window, it will be captured and processed by the HKTR system when it resumes operation.

Q-RPT-4.2 Has the HKTR set any time limit for submitting trade information to the HKTR after a trade is conducted?

No.   The HKTR does not impose any time limit on trade information submission. TR Members, however, should observe the time limits set out in the relevant mandatory reporting requirements.

RPT-5.   Product Scope

Q-RPT-5.1 Can a TR Member report to the HKTR transactions in a product supported by the HKTR but not subject to mandatory reporting requirements?

Yes. The TR Member, however, must ensure that the reporting of the transactions is consistent with the laws, regulations and contractual obligations applicable to the transactions, for example, consent of counterparty may be required in some cases if the TR Member is not obliged to report under a mandatory reporting requirement.

RPT-6.   Trade Information Submission (Reporting)

Q-RPT-6.1 Can a TR Member adopt different reporting approaches (life-cycle and snapshot approach) to report trades?

Yes. TR Members may adopt different reporting approaches to report different transactions to the HKTR.

Q-RPT-6.2 Can a TR Member submit trade information to the HKTR in different formats (FpML and CSV)?

Yes. TR Members may adopt different formats for submitting trade information of different transactions to the HKTR.

Q-RPT-6.3 Are all conditional fields required to be filled in?

A conditional field is required to be filled in when the conditions specified for it are met, for example, when a transaction is cleared, the CCP for clearing the transaction (a conditional field) must be reported. The information required in a conditional field basically reflects the information required under the corresponding mandatory reporting requirement.

The conditions applicable to individual conditional fields and the values to be reported for them under different conditions can be found in the Reporting Service AIDG.

Q-RPT-6.4 Which option should be selected for the field "Confirmation Platform ID" if a trade is confirmed through a SWIFT message?

The option "OTHERS" should be selected for the Confirmation Platform ID field for a trade confirmed via SWIFT messages.

Q-RPT-6.5 Which date should be reported as Trade Date of an exercise trade of a

swaption?

The date on which the swaption is exercised.

Q-RPT-6.6 Can a terminated trade be amended through the Amendment event?

No.   To amend a terminated trade, the trade should be withdrawn, and a new trade be re-submitted.

Q-RPT-6.7 Can a TR Member submit an Amendment event to the HKTR with all trade data same as the original trade?

Yes.

Q-RPT-6.8 Will duplicated trade records be rejected by the HKTR?

The HKTR system recognizes trade records by trade references, such as unique transaction identifier, user-assigned trade reference number.   The HKTR system will reject a trade record if any of its trade references is same as that of a trade record that has been reported to the HKTR by the same TR Member.   However, if a duplicated trade record bears trade references that have not been used before, the HKTR will not be able to recognise that it is a duplicated record and will not reject it.

Q-RPT-6.9 If a CSV file is generated successfully using the templates in the AIDG package, is it going to be accepted by the HKTR system without any problem?

Not necessarily.   The macro built-in in the Excel templates for generating the CSV file conducts only basic syntax check and data validation.   The submitted template will be subject to further validation at the HKTR system.   If a submitted template violates any of the validation rules, the submission will be rejected and an error message would be provided in the response file.

Q-RPT-6.10 Party name is required in different fields across the upload template, must the name be synchronized throughout the entire upload template?

Yes.   Unsynchronized party names violate the validation rules of the HKTR system and will be rejected.

Q-RPT-6.11 Would the HKTR erase data of transactions that have matured?

No.   All reported transaction data are always available in the HKTR; however, system generated files such as daily reports and trade capture response files are only available for 180 days.

RPT-7.   Legal Entity Identifier

Q-RPT-7.1 Is it a mandatory requirement for a transacting party to acquire a Global LEI or pre-LEI?

No.   The Global LEI or pre-LEI is required to be reported for a transacting party only if the transacting party has the Global LEI or pre-LEI.   It is not a requirement of the HKTR to require all transacting parties to acquire a Global LEI or pre-LEI.

The HKTR, however, strongly encourages participants in the financial market to acquire a Global LEI or pre-LEI.

Q-RPT-7.2 How to apply for a Global LEI or pre-LEI?

All pre-LOUs endorsed by the ROC are eligible to issue pre-LEI.   An entity may approach a pre-LOU it prefers for acquiring a pre-LEI.

Q-RPT-7.3 How can a TR Member obtain the identity code of the transacting parties for reporting?

The TR Member should obtain the identity code from the transacting party. According to the Reporting Service Reference Manual, a TR Members should supply the relevant identifiers to the counterparty TR Member upon request.

TR Members should note that only self-certified or self-validated codes (i.e. those certified or validated by the entities to which the codes refer) meeting the standards prescribed by the ROC of the Global LEI System are qualified as pre-LEIs, and can be applied to regulatory reporting purposes.

Q-RPT-7.4 If the identity code applicable to a transacting party has changed, it is necessary to update the trade records at the HKTR?

If the code reported to the HKTR is no longer the available code of highest level of priority, it should be replaced.

Q-RPT-7.5 It may not be practically feasible to keep track of changes of identity code of transacting parties on a daily basis, how frequent should the validity of identity codes of transacting party be reviewed and updated?

The identity codes should be reviewed and updated, if necessary, at least once a year, for example at the time of conducting annual reviews of the business relationship with the transacting parties.

Q-RPT-7.6 If the transacting party is a private individual, which code should be reported for the transacting party?

A unique internal code assigned by the reporting party should be reported. The code used should not tell the identity of the individual nor should it allow the HKTR to infer the identity of the individual from other information supplied to the HKTR or publicly available information. The same code should be reported for signifying the individual in all reporting transactions involving the individual.

Q-RPT-7.7 To update the identity code reported for a transacting party to the HKTR, is it necessary to make an amendment to each of the transaction records containing the code?

Starting from September 2014, the HKTR will make available a bulk change function to users to replace the identity code of a transacting party in all transactions by a new code through a single instruction.

RPT-8.   Unique Transaction Identifier

Q-RPT-8.1 How to obtain the USI or TID of a transaction?

USI and TID are required to be reported under the US CFTC reporting rules and the EMIR reporting rules respectively. TR Members should confirm with the transacting parties whether the transactions to be reported are subject to the relevant reporting rules, and obtain from the transacting parties the applicable transaction identifiers for reporting.

Q-RPT-8.2 If both the USI and TID are available for a transaction but they are different, which of them should be reported?

If both USI and TID existed in a transaction, both USI and TID values should be reported to the HKTR.

For USI value, users may input into existing UTI indicator and UTI field as per description below:

UTI Indicator - Indicates whether a Unique Swap Identifier (USI) exists for the trade. The USI refers to the unique transaction identifier reportable under the mandatory reporting requirements in the US pursuant to Dodd-Frank Act, as defined in http://www.cftc.gov/ucm/groups/public/@swaps/documents/dfsubmission/usidatas tandards100112.pdf Users may refer to the update website from time to time.

UTI - If a USI exists for the trade, the value of the USI, presented in conformity with the format and structure applicable to it.

The valid input format will be Prefix of USI | Value of USI.

The maximum length of the Prefix of USI & Value of USI are 40 & 200 respectively.

For UTI (TID) value, there is another UTI-TID field for input, please refer to description below:

UTI-TID - If a unique Trade ID (TID) reportable under the mandatory reporting requirements in the European Union exists for the trade, the value of the TID, presented in conformity with the format and structure applicable to it.   Definition of the TID can be found at http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:052:0001:0010:EN :PDF Users may refer to the update website from time to time.

Q-RPT-8.3 A trade counterparty may have multiple SWIFTBICs, say for its offices/branches in different geographic locations, which SWIFTBIC should be reported for the counterparty?

The SWIFTBIC referring to the location of the office/branch of the counterparty with which the trade was entered into should be reported.   For example, the Hong Kong SWIFTBIC should be reported for trades conducted with the Hong Kong office/branch of the counterparty.

RPT-9.   Trade Linking

Q-RPT-9.1 Is it a requirement for TR Members to resolve all the discrepancies or potentially missing records identified by the HKTR system?

No.   It is not a requirement of the HKTR on TR Members to resolve all the discrepancies or missing records identified by the HKTR system.   If the trade submitted by a TR Member is not able to link up with that submitted by the counterparty TR Member, that implies one side of the trades must have reported incorrect trade details. The HKTR system outputs the potential discrepancies or missing records for assisting TR Members in identifying and resolving reporting errors. TR Members are primarily responsible for ensuring the accuracy and timeliness of reporting to meet the relevant mandatory reporting requirements.

Q-RPT-9.2 If a TR Member reports an identification code to signify the identity of the counterparty TR Member in a trade, but the counterparty TR Member has not registered the code with the HKTR, will the trade be subject to linking?

No.   As the HKTR system will not recognise that the trade counterparty is a TR Member, the trade will be classified as single-sided trade and no linking will be performed.

Q-RPT-9.3 Will cleared trades go through linking process?

No, because CCPs are not TR Members.   The linking process will only be performed when both trade parties of the transaction are TR Members.

Q-RPT-9.4 Why are some unlinked trades not shown in the CTRD2603 Participant Trade Reconciliation Discrepancy Report?

If your bank is a local AI while the counterparty is an Overseas AI, the unlinked trades will not appear in the Discrepancy Report.   It is because an Overseas AI may or may not have any reporting obligation for that particular trade.   Instead, this trade will appear in the CTRD2604 Participant Uncertain Unlink Report for the Overseas AI to investigate if such a trade is reportable according to the Hong Kong reporting requirements.

RPT-10.   Billing

Q-RPT-10.1 Is the fee cap calculated on a per entity basis or a per group basis?

The fee cap is calculated on a per entity basis.   Entities within the same corporate group will each subject to a separate fee cap.