



28 October 2016

The Chief Executive
All Regulated Entities

Dear Sir / Madam,

OTC Derivatives Trade Repository of the HKMA
Revised Technical Specifications for Expanded Scope Mandatory Reporting

I am writing to inform that a revised Administrative and Interface Development Guide ("AIDG") is published (attached to this letter) to update technical specifications following completion of the negative vetting process for the *Securities and Futures (OTC Derivative Transactions – Reporting and Record Keeping Obligations) (Amendment) Rules 2016* ("Amendment Rules") in April 2016 and publication of the *Gazette (Government Notice Number: 3912)* on 15 July 2016. The Hong Kong Monetary Authority (HKMA) and the Securities and Futures Commission (SFC) also jointly published the *Further Consultation Conclusions on Introducing Mandatory Clearing and Expanding Mandatory Reporting* ("Phase 2 Reporting") ("the further conclusion paper") on the same date.

In response to the revised regulatory proposals on various technical aspects and mandatory reporting data field requirements in the Amendment Rules, the *Gazette (Government Notice Number 3912)* and the further conclusion paper, a set of update requirements and technical specifications for reporting is set out in the version 1.5.2 of Administrative and Interface Development Guide ("AIDG") attached to this letter. Reporting entities are reminded to read the revised AIDG (version 1.5.2) carefully to ensure they are fully aware of the changes from the AIDG (version 1.5.1) published on 6 June 2016.

The key changes between the AIDG (version 1.5.1) and the revised AIDG (version 1.5.2) include (i) Modification and addition of mandatory data fields, (ii) updates of enumerated values and (iii) updates of data field descriptions. These key changes can be found in the further conclusion paper and the gazette.

The testing environment for the updates made in the revised AIDG (version 1.5.2) will be available in the Q4 of 2016 to facilitate TR members and reporting agents to conduct the relevant tests themselves. Please contact HKTR at (852) 8100 3115 or email to hktr@hkma.gov.hk for details.

Transition from existing to new reporting standards

Though the Phase 2 Reporting will not come into effective immediately, the existing reporting standards and technical specifications found in all the previous versions of AIDG will be no longer able to support the mandatory reporting requirements under the Phase 2 Reporting which will be commenced on 1 July 2017. Reporting entities are reminded to make preparations to adopt the revised AIDG (version 1.5.2) as soon as possible to ensure that they will be ready when the Phase 2 mandatory reporting requirements start to apply. In addition, before reporting transactions of new reporting products through the system, reporting entities are required to lodge a readiness declaration form with the HKTR.

If there are any questions about regulatory policy with respect to the Phase 2 Reporting requirements, please contact the Financial Stability Surveillance Division of the HKMA via email to fss@hkma.gov.hk or the Banking Policy Department of the HKMA at (852) 2878 1279 or email to bpd_otc@hkma.gov.hk (for Authorized Institutions); the Financial Market Infrastructure Oversight and Licensing Division of the HKMA at (852) 2878 1470 or email to ivan_yy_lam@hkma.gov.hk (for Approved Money Brokers); or the Supervision of Markets Division of the Securities and Futures Commission at (852) 2231 1788 or email to otc_enquiries@sfc.hk (for other entities). For questions about the service and operation of the HKTR, and the training and system tests, please contact the HKTR at 8100 3115 or email to hktr@hkma.gov.hk.

Thank you for your attention.

Yours faithfully,

A handwritten signature in blue ink, appearing to be 'Ann Kwan', written in a cursive style.

Ann Kwan

Acting Head, Payment Systems Operation Division
Financial Infrastructure Department

c.c. Ms Daphne Doo, Senior Director, Supervision of Markets, Securities and Futures
Commission

Encl.