



HONG KONG MONETARY AUTHORITY
香港金融管理局

OTC Derivatives Trade Repository
Reporting Service

User Training



Agenda

- 1. Overview***
- 2. Trade Life Cycle***
- 3. Trade Entity***
- 4. Agent***
- 5. Trade and Trade Event***
- 6. Reporting Trades to the HKTR***
- 7. Processing of Reporting Trades***
- 8. Party ID Bulk Change***
- 9. Valuation***
- 10. System Demonstration***
- 11. Simulation Test Arrangement***
- 12. Contacts and Q&A***



1. OVERVIEW

- 1.1 Objectives
- 1.2 Introduction to the HKTR
- 1.3 References
- 1.4 HKTR Info Page Website
- 1.5 System Overview
- 1.6 Service Window
- 1.7 Product Scope
- 1.8 Access to the UI
- 1.9 Contingency Arrangement



1.1 Objectives

- To provide guidance on usage of the **TR system functionalities**
- To introduce the **TR system behaviour**
- **Disclaimer**
 - Any parts of this User Training and related training materials should **not** be viewed as and contribute to any interpretations or explanations of the regulatory regime and legal requirement
 - Participants should **not** rely on this User Training and related training materials to observe the regulatory regime and any legal requirements



1.2 Introduction to the HKTR

OTC Derivatives Trade Repository (HKTR)

- **Centralised registry** of over-the-counter (OTC) derivatives transactions
- Supports authorities in carrying out their responsibilities by **collecting and providing transactions information**
- Helps increase transparency in the market, promotes standardisation and provides a level of consistency in the quality and availability of transaction data



1.3 References

Latest version of the documents provided by HKTR **including but not limited to** the following:

- Operating Procedures for Hong Kong Trade Repository – User Manual for Participants (*Administrative Functions*)
- Operating Procedures for Hong Kong Trade Repository – User Manual for Participants (*Trade Functions – Reporting Service*)
- Operating Procedures for Hong Kong Trade Repository – User Manual for Participants (*Trade Functions – Reporting Service – Appendix*)
- Trade Repository Administration and Interface Development Guide (*Reporting Service*) (AIDG)
- Trade Repository Administration and Interface Development Guide (*Reporting Service*) (AIDG) Annex - Supplementary Reporting Instruction (SRI 1 & 2) for OTC Derivative Transaction
- Trade Repository Administration and Interface Development Guide (*Reporting Service*) (AIDG) Annex – Updates and Clarification on the SRI 1 & 2 for OTC Derivative Transaction
- Hong Kong Monetary Authority OTC Derivatives Trade Repository Reference Manual (*Reporting Service*) (Reference Manual)



1.4 HKTR Info Page Website

HKTR Info Page Website (<https://hktr.hkma.gov.hk>)

- A **one-stop access** to a range of information relating to the operation of the HKTR
- Announcements and circulars
- List of TR Members and agents
- Documents and manuals
- Training materials
- Login is required to access restricted information



1.5 System Overview

- **Browser-based system**
- Allows TR Participants to
 - **Submit** trade events and valuation data of reportable trades
 - **Enquire** trades, trade event and valuation history
 - **Request** reports and **receive** notifications
 - Perform **administrative functions**



1.6 Service Window

- Operates **7 x 24** except for outage periods
- Outage periods
 - Batch processing and housekeeping
 - Additional outage periods on Saturdays, Sundays or public holidays
 - System maintenance and upgrade
 - Will be announced in advance



1.6 Service Window

Channel	Monday to Saturday *	Sunday *
SWIFTNet (Browse and FileAct) #	00:30-04:00	23:00(Sat)-12:00
FTS via ICLNet	00:30-04:00	23:00(Sat)-05:00
Internet UI Upload	00:30-04:00	23:00(Sat)-05:00

* All time is shown in Hong Kong time (UTC +08:00)

SWIFT may publish additional outage periods from time to time

Regular outage periods for capturing trade information

- During **Mon to Sat outage periods**, files submitted
 - Will be queued in the system
 - Will be captured automatically afterwards
- During **Sunday outage period**
 - Not able to upload any files



1.7 Product Scope

1) Interest rate (IR) derivatives

Base Product	Sub Product	Deliverable	Non-deliverable	Cancellable Provision	Early Termination Provision	Amortization Schedule
CapFloor	-	√	√	-	√	√
Cross Currency	Fixed vs Float	√	√	√	√	√
	Fixed vs Fixed	√	√	√	√	√
	Basis Swap	√	√	√	√	√
FRA	-	-	-	-	-	-
IR Swap	Fixed vs Float	√	√	√	√	√
	Basis Swap	√	√	√	√	√
	Overnight Index Swap (OIS) #	√	√	√	√	√
	Fixed vs Fixed	√	√	√	√	√
	Inflation	√	√	√	√	√
Option	Swaption *	-	-	-	-	-
Other	(All Interest Rate derivatives products)	√	√	√	√	√

* The swap under swaption still supports deliverable, non-deliverable, cancellable, early termination and amortization schedule

Overnight Index Swap with floating vs floating legs to be reported as Basis Swap



1.7 Product Scope

2) Foreign exchange (FX) derivatives

Base Product
Forward *
Non-deliverable Forward (NDF)
Non-deliverable Option (NDO)
Vanilla Option
Other (All Foreign Exchange derivatives products)
* FX Swap is reported as two separate individual Forwards (one for the near leg and one for the far leg)



1.7 Product Scope

3) Equity (EQ) derivatives

Base Product	Sub Product	Transaction Type
Option	Price Return Basic Performance	Single Index
		Single Name
Swap	Price Return Basic Performance	Single Index
		Single Name
	Parameter Return Variance	Single Index
		Single Name
	Parameter Return Dividend	Single Index
		Single Name
Other	(All Equity derivatives products)	-



1.7 Product Scope

4) Credit (CD) derivatives

Product Type	Product Sub-Type
Single Name	Corporate
	Sovereign
Index Tranche	CDX
	iTraxx
Index	CDX
	iTraxx
Other	(All Credit derivatives products)



1.7 Product Scope

5) Commodity (CM) derivatives

Transaction Type	Trade Leg Type
Swap	Fixed Float
	Float Float
	Float Coal / Gas / Oil / Electricity
	Fixed Coal / Gas / Oil / Electricity
Option	Option Option
	Fixed Bullion / Metal
	Average Bullion / Metal
Forward	Fixed Bullion / Metal
	Average Bullion / Metal
Other	(All Commodity derivatives products)



1.8 Access to the UI

User interface (UI)

- **Internet**
 - Microsoft Internet Explorer version 9 (Vista) / 11 (Windows 7 or 8.1)
 - SSL client certificate required
- **SWIFTNet Browse**
 - SWIFTAlliance Web Platform (SWP) and
 - SWIFT User Distinguished Name (DN) required



1.9 Contingency Arrangement

Local Terminal Service (LTS)

- Prolonged system connectivity problems
- As a last resort for accessing the TR system
- Located in HKICL premises
- Procedure to be announced by HKICL

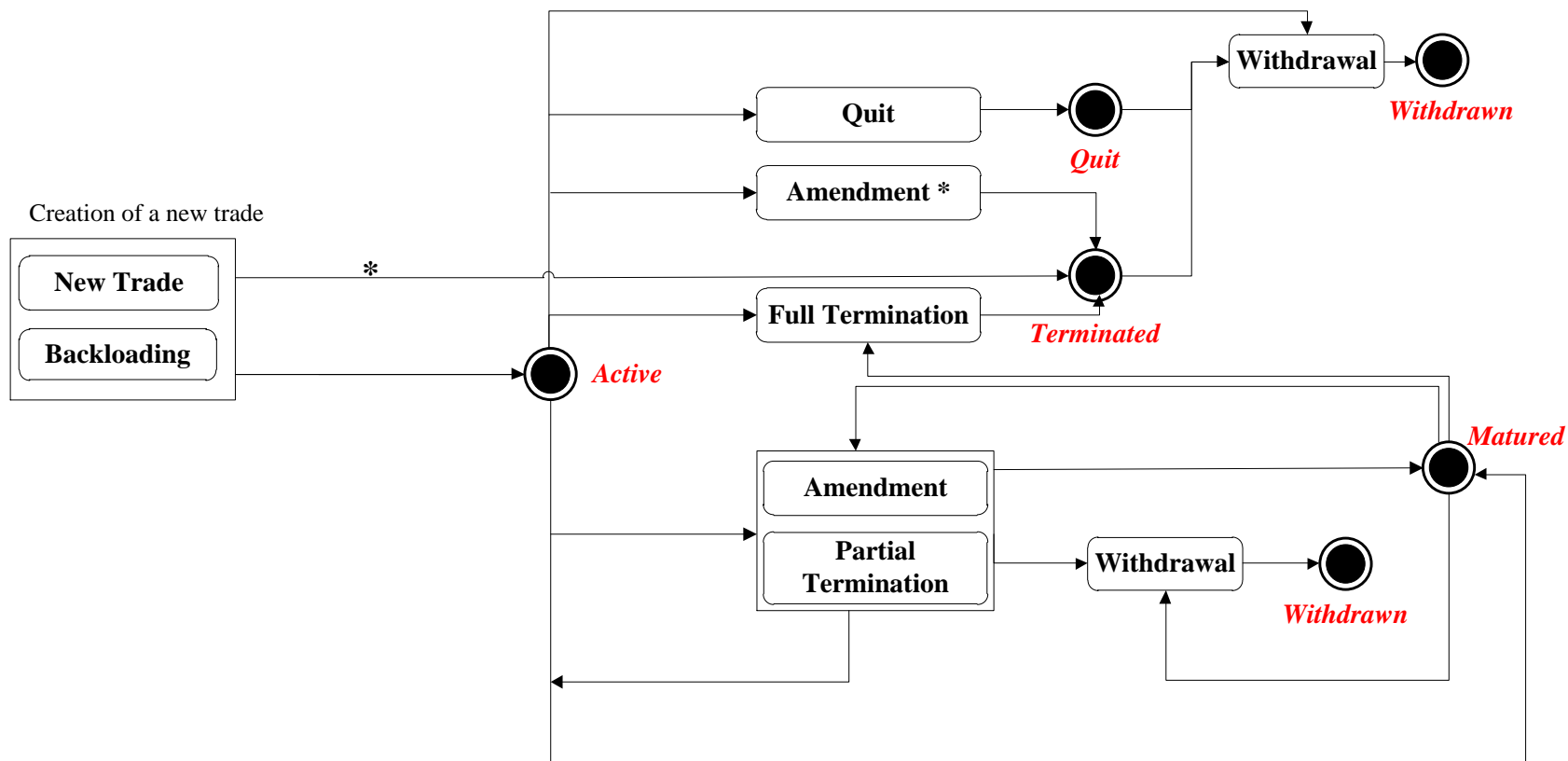


2. TRADE LIFE CYCLE

- 2.1 Trade Life Cycle
- 2.2 Creation of Trade Record
- 2.3 Change of Contract Terms
- 2.4 Termination
- 2.5 Withdrawal
- 2.6 Quit
- 2.7 Relink
- 2.8 Suppress Uncertain



2.1 Trade Life Cycle



* If the notional amount/ exchanged currency amount is zero through a New Trade/Backloading trade event or is amended to zero through an Amendment trade event, system updates these trade status to “Terminated”.

Applied Trade Event:

Trade Event

Trade Status after applying
specified Trade Event:

Trade Status



2.2 Creation of Trade Record

- **New Trade**
 - The first business event for every trade
- **Backloading**
 - To report a trade which is already **in the middle of its life cycle**
 - Contains a **latest image** of a trade on a particular date
- *Trade record initially set to Active*



2.3 Change of Contract Terms

- **Amendment**

- Mutual agreement between contracting parties to modify the **terms of the transaction**
- Change in **industry standards**
- **Error** corrections

- **Termination**

- Full or partial **reduction of outstanding notional amount** of a transaction
- Terminate the original (alpha) trade for the purpose of **trade novation**



2.4 Termination

- **Full Termination**

- Both trade parties agree to **terminate a contract** before the scheduled termination date
- **Notional amount** becomes zero
- **Trade status** changes to Terminated

- **Partial Termination**

- Partially termination by **decreasing the notional amount**
- The original contract with **remaining notional amount** remains effective within the trade parties
- **Trade status** remains Active

- ***Not applicable to some of the product types***



2.4 Termination

- Submitting an Amendment trade event with **zero notional amount** will produce a similar effect as **Full Termination**
- When a trade is **terminated on the same day**
 - Submit a **New Trade** event with the original notional amount
 - Followed by submitting a **Full Termination / Amendment** trade event to terminate the trade



2.5 Withdrawal

- **Withdrawal**
 - To **discard** a trade record from the TR system
e.g. a trade is wrongly reported
 - **Trade status** changes to Withdrawn
 - ***Applicable to all trades including terminated, quitted and matured ones***
 - ***Withdrawal trade record and all historical positions will be obsoleted***



2.6 Quit

- **Quit**
 - Force to **end the life cycle** of a trade
 - **Trade status** changes to Quit
 - ***Applicable to active trades only***
 - *Historical positions of a quitted trade are still valid*



2.7 Relink

- **Relink**
 - **Rectify mis-linkage** of two trades linked automatically by the TR system
 - A linked trade can be relinked to become a **single sided trade** or **relinked to another trade**
 - *The only trade event that requires matching between both reporting parties*



2.8 Suppress Uncertain

- **Suppress Uncertain**

- To **remove an unlinked trade** from appearing in the *Participant Uncertain Unlink Report*
- ***Applicable to overseas incorporated AIs only***
- Do **not affect** any **status** of the trade



3. TRADE ENTITY

- 3.1 Types of Trade Entity
- 3.2 Trade Entity Identification Scheme
- 3.3 Masking of Identity



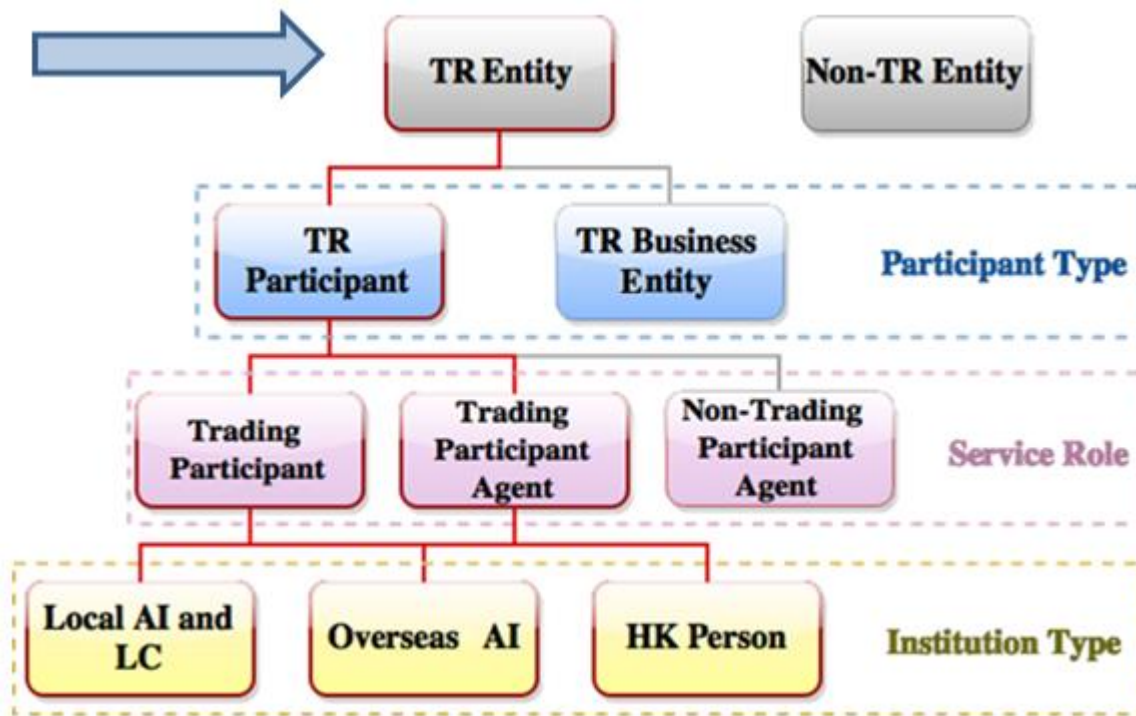
3.1 Types of Trade Entity

TR Entity

- Assigned with a **unique TR Entity ID**
- Also known as a TR Member Code

Non-TR Entity

- A party who does **not possess an identity** in the HKTR





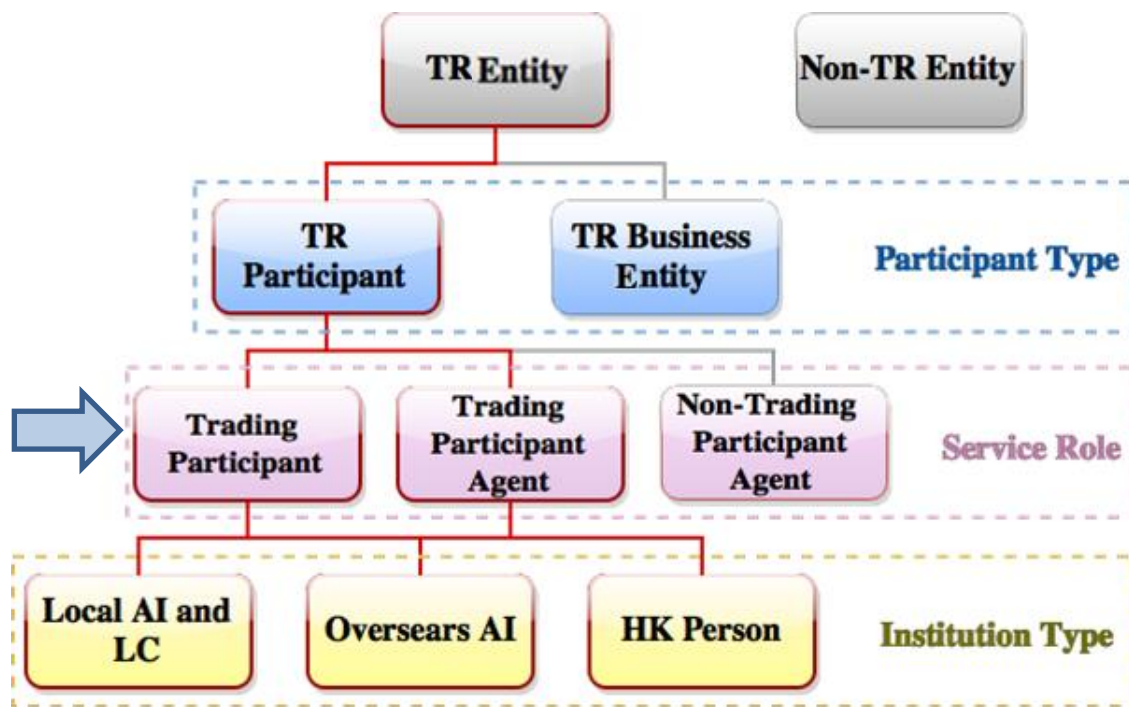
3.1.1 TR Participant

TR Participant comprises of

- Registered TR Members
- Agents appointed by TR Members

Able to **access the TR system**

Categorised into **three types of service role**





3.1.2 Service Role

Service Role	Report Trades	Appoint an Agent	Appointed as an Agent
Trading Participant	Yes	Yes	
Trading Participant Agent	Yes	Yes	Yes
Non-trading Participant Agent			Yes

- **Trading Participant / Trading Participant Agent**
 - Able to **submit and report trades for itself**
- **Non-trading Participant Agent**
 - Does **not report any trade** to the HKTR **for itself**
 - Submit trades on behalf of other TR participants only

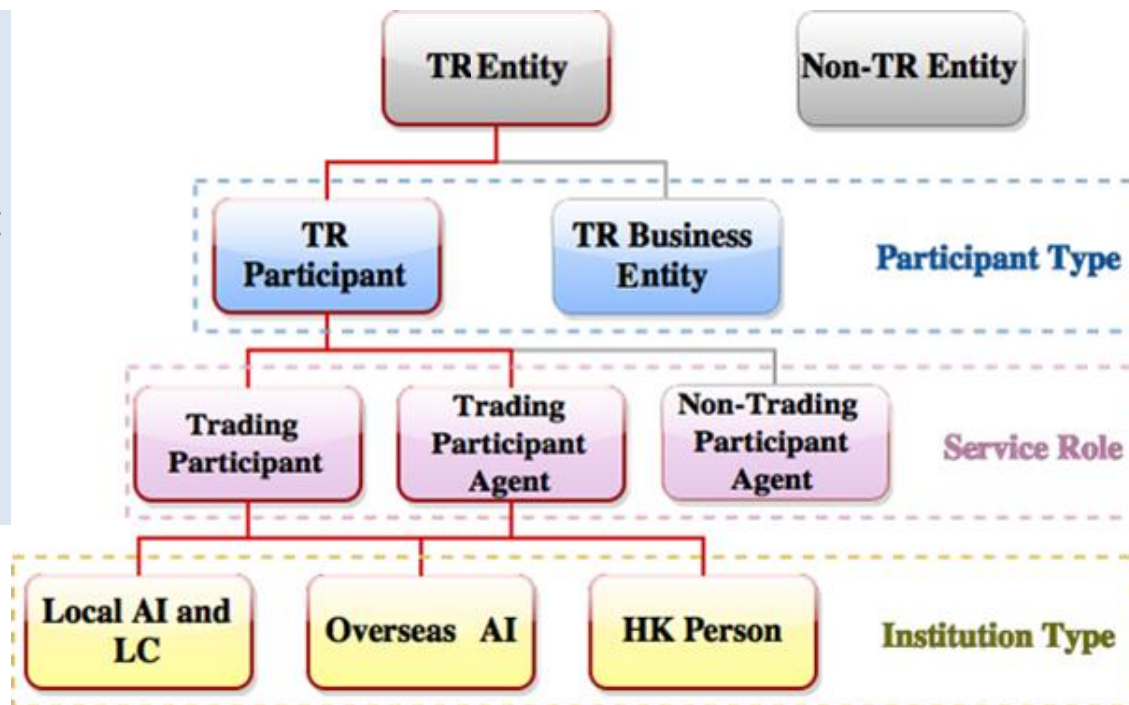
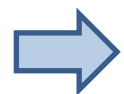


3.1.3 Institution Type

Applies to

- Trading Participant
- Trading Participant Agent

Affects **trade linking**
and **reconciliation**
treatment

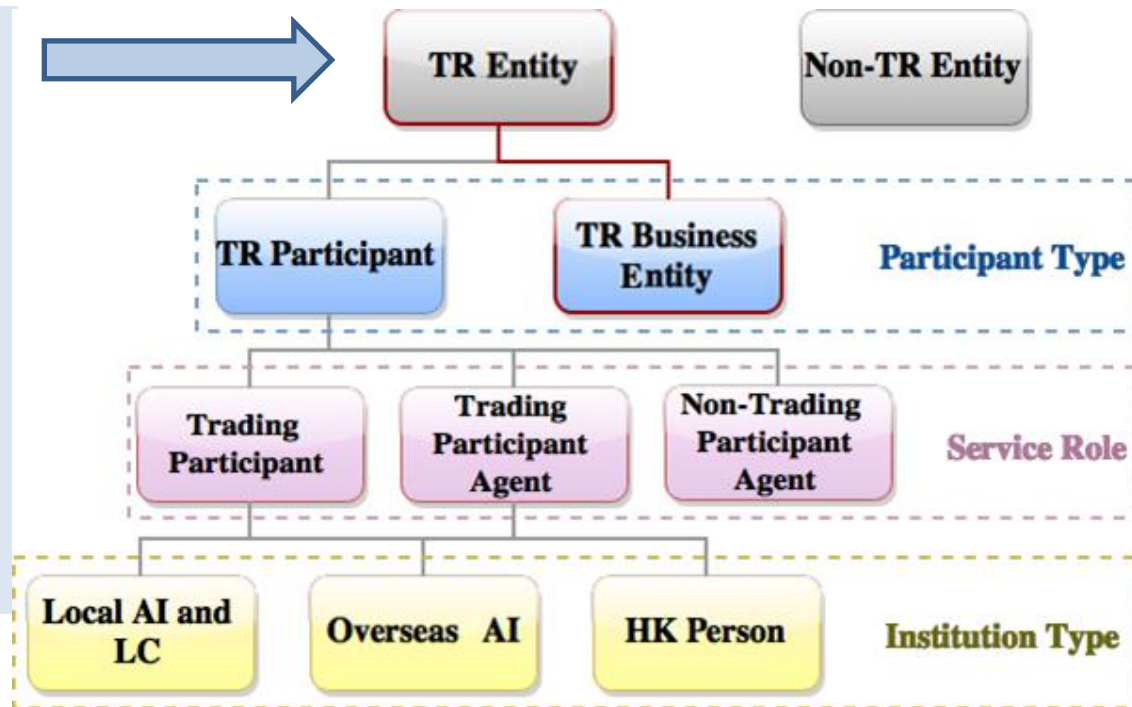




3.1.4 TR Business Entity

TR Business Entity

- **No access to the TR system**
- Assigned with a unique **TR Entity ID** for identification purpose





3.2 Trade Entity Identification Scheme

List of supported trade entity identifiers

Identification Scheme	Publisher
Global Legal Entity Identifier (LEI)	Global LEI System established by the Financial Stability Board (FSB)
TR Entity ID (aka TR Member Code)	The HKMA
SWIFT BIC (Business Identifier Code)	SWIFT
Number of the Certificate of Incorporation (CI) or Certificate of Registration (CR)	Hong Kong Government
Business Registration Number (BRN)	Hong Kong Government
User Defined Code	TR Participant



3.2 Trade Entity Identification Scheme

- When identifying a party in a trade, the **priority should always be observed**
 - 1st LEI or TR Member Code
 - 2nd SWIFT BIC
 - 3rd CI or CR
 - 4th BRN
 - User Defined Code *if none of the above is available*
- To identify **private individuals**
 - Submit an **internal assigned counterparty reference code** as a User Defined Code
 - The same and unique reference code is used for the same counterparty



3.2 Trade Entity Identification Scheme

- List of TR Members and their registered identifiers can be found on the HKTR Info Page website
 - Reporting parties should **make best use of** the identifiers on the list in trades reported
 - Reporting parties should **revise and update** their identifiers reported *at least annually*



3.3 Masking of Identity

- **Only under some situations** specified by the regulatory requirements
- **Counterparty identity** is **undisclosed**
- **When necessary**, reporting parties should
 - Submit an **internal assigned counterparty reference code** as a User Defined Code
 - The same and unique reference code is used for the same counterparty
 - Do not use masked identifier type



4. AGENT

- 4.1 Agent Appointment
- 4.2 Agent Access Control
- 4.3 File Submission by Agent



4.1 Agent Appointment

- A **reporting party** can report trades
 - Directly *for itself*
 - Indirectly *through an appointed agent*
- An **appointed agent** can submit trades to the HKTR *on behalf of a TR Participant* through
 - Ordinary Submission Channels
 - Dedicated Channel agreed with the HKMA



4.1 Agent Appointment

- To **appoint an agent**, a TR Member should
 - Follow the **agent nomination procedure** stipulated by the HKMA
 - Assumes **full responsibility** over the activity of its agents in accessing the HKTR on its behalf



4.1 Agent Appointment

- To **report indirectly through agents**, TR Members are strongly advised to
 - Become familiar with the TR system
 - Perform proper testing on trade submission
 - Prepare for contingency and functions not supported by appointed agents
- TR Members should contact their regular supervisory contacts regarding the approval procedure of outsourcing



4.1 Agent Appointment

- Reporting parties can submit trades **directly** and **through agents** indirectly simultaneously
- **Multiple agents** can be appointed in same or different product types
- An agent can submit trades on behalf of **multiple TR Members**



4.2 Agent Access Control

There are **four options** available for the configuration of agent access rights

Agent Access Control Option	Description
Trade Submission via FTS	Agent can submit trade event request file on behalf of the TR Participant via FTS on HKICL Network
Trade Submission via FileAct	Agent can submit trade event request file on behalf of the TR Participant via FileAct on SWIFTNet
Trade Submission via UI Upload	Agent can submit trade event request file on behalf of the TR Participant via UI upload function
UI Full Functions	Agent can access all UI functions to submit trade event request file or perform other trade-related functions on behalf of the TR Participant



4.3 File Submission by Agent

- The **agent relationship** is maintained in the TR system by the HKMA
- Upon receipt of a trade event request file from an agent
 - TR system checks if such agent is authorised to submit on behalf of a reporting party
 - The trade event request file will be rejected if such checking is failed



5. TRADE AND TRADE EVENT

- 5.1 Trade
- 5.2 Trade Event
- 5.3 Relationship between Trade and Trade Event
- 5.4 Alleged Trade Event
- 5.5 Linking & Matching Fields
- 5.6 Identifications and References
- 5.7 Trade Attributes



5.1 Trade

- **Represents an OTC derivative contract executed between two trade parties**
- Should be updated to reflect the latest status of the contract
- Update is done via various trade event requests
- One trade record created for each reporting side of a trade



5.2 Trade Event

- Is an **occurrence of a business event** on an OTC derivatives contract
- Submitted to the HKTR to reflect the **latest status of the trade**
- Reported trade details are updated to the corresponding trade record immediately



5.2 Trade Event

Classification	Trade Event	Supported Asset Class
New Trade	New Trade	All
Post Trade Event Maintenance	Amendment	All
	Partial Termination	Not supported on some product types
	Full Termination	
Others	Withdrawal	All
	Quit	All
	Backloading	All
	Suppress Uncertain	All
	Relink	All



5.3 Relationship between Trade and Trade Event

There may be multiple trade events occurring throughout the life cycle of a trade

Trade Event

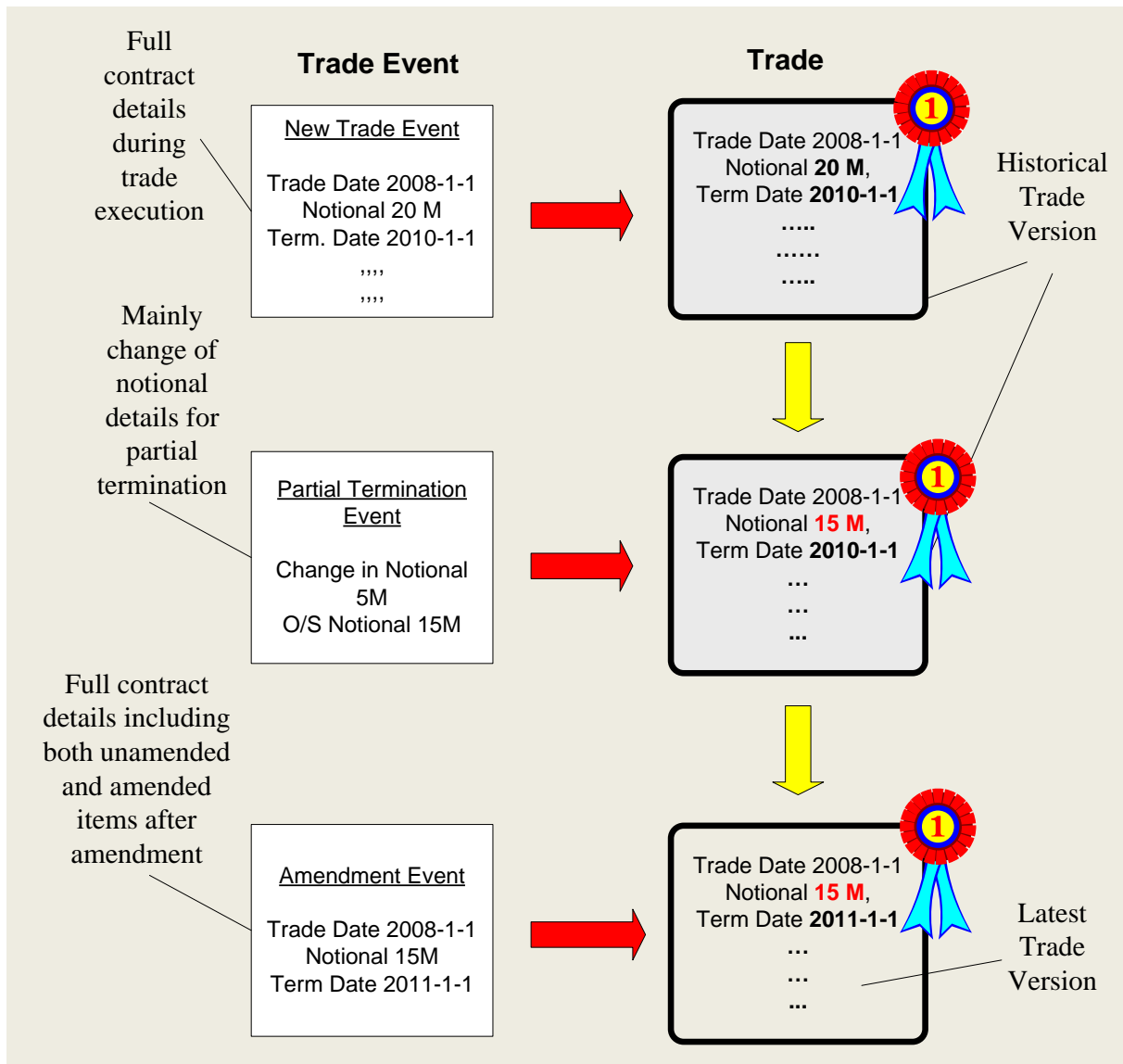
- Initiated by a **reporting party**
- Contains an image of the trade details
- Has different layouts depending on its nature

Trade

- Created and maintained by the **TR system**
- Is a cumulative image of a series of trade events that are submitted by the reporting party previously



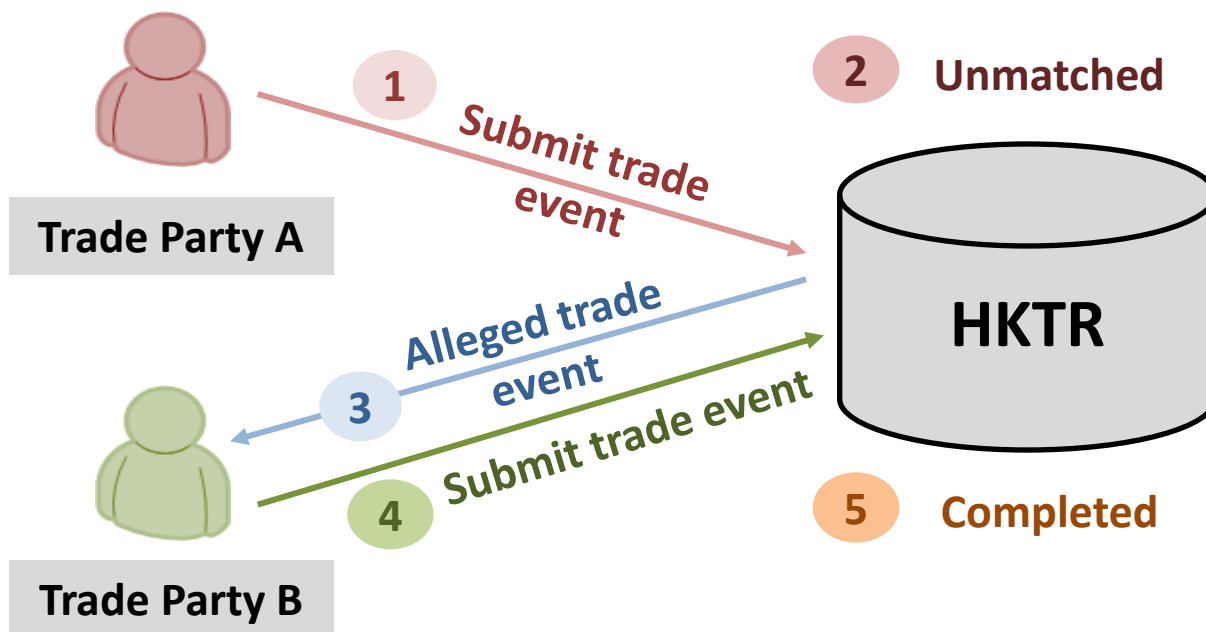
5.3 Relationship between Trade and Trade Event





5.4 Alleged Trade Event

- ***Applicable to Relink trade event only***
- TR system generates a copy of the Relink trade event to notify its counterparty
- Counterparty has to submit a Relink event for matching





5.5 Linking & Matching Fields

- Linking & Matching Fields are defined specifically for each product type
 - Comprise of mostly **key economic terms**
 - Refer to the AIDG – Appendix A & C
- Are essential trade information for the processing of trade in the TR system
 - **Linking process**
 - **Reconciliation process**



5.6 Identifications and References

- There are **a number of identifications and references** employed in the TR system
- Submitting parties are required to provide **relevant identifications** and references for each trade event request submission
- **Vary among the types of trade event**
 - Reference: Quick Sheet – IDs and References.pdf



5.6.1 Trade Reference

Trade Reference is assigned by the TR system when a trade is created by a New Trade or Backloading trade event

Reporting > View Trade Details

Trade Details - Interest Rate

Trade Summary	PRT	General Trade Details	Calculation Period Dates
Payment Dates	Reset and Fixing Dates	Calculation Period Amount and Rate	Stub Dates, Amount and Rate
Settlement Provision	Additional Payments	Additional Terms	
Product Type: Interest Rate Swap			
Product Sub-type: IRS Floating vs. Fixed			
Trade Type: Reporting			
Trade Identifiers			
Trade Reference:	T20130723001854		
User Reference:	HKMA_DUMMYBANK012_TF_NEW_E		
Agent Reference:	-		
CP Reference:			



5.6.2 Event Reference

Event Reference is assigned by the TR system to every trade event submitted and accepted

Trade Event Details - Interest Rate

General Event Details	General Trade Details	Calculation Period Dates	Payment Dates
Reset and Fixing Dates	Calculation Period Amount and Rate	Stub Dates, Amount and Rate	Settlement Provision
Additional Payments	Additional Terms		

Event Identifiers

Event Request ID:	HKMA_DUMMYBANK012_EID_NEW_E
Event Reference:	E20130723002739
User Reference:	HKMA_DUMMYBANK012_EF_NEW_E
Agent Reference:	-
CP Reference:	-
Ext. TR Reference:	-

Trade Identifiers

Trade Reference:	T20130723001854
User Reference:	HKMA_DUMMYBANK012_TF_NEW_E
Agent Reference:	-
CP Reference:	-



5.6.3 Request / Event Identification

File / Event Level	Section	Sub-section	Data Field	Purpose	Uniqueness Checking *
File Level	File Level Request		File Reference	Message Identification	SP
Event Level	Trade Event Request		Event Request ID		SP
	Trade Event	General Block	Agent Event Reference		SP
			User Event Reference		RP

- **File Reference**
 - Unique no matter the file is accepted or rejected
- **Event Request ID**
 - Unique no matter the event request is accepted or rejected
- **Agent Event Reference and User Event Reference**
 - Either one should be provided
 - Unique among trade events exist in the TR system



5.6.4 Post Trade Event Correlation

File / Event Level	Section	Sub-section	Data Field	Purpose
Event Level	Trade Event	Event Block	Trade Reference	Post Trade Event Correlation
			Agent Trade Reference	
			User Trade Reference	
			Unique Transaction Identifier (UTI)	
			Unique Transaction Identifier - Unique Trade ID (UTI-TID)	

- Must be provided in a **post trade event** to correlate such event to a trade exists in the TR system
- Either one of the five references should be provided
- **Not applicable** to New Trade and Backloading trade events



5.6.5 Relink Correlation

File / Event Level	Section	Sub-section	Data Field	Purpose
Event Level	Trade Event	Event Block	Relink From	Relink Correlation
			Relink To	

- **Only Trade References are acceptable**
- Relink From
 - To specify the trade to be relinked to another trade or no trade
- Relink To
 - To specify the trade to be relinked to the trade in Relink From
 - Can be empty

5.6.6 Trade Image Content

File / Event Level	Section	Sub-section	Data Field	Purpose	Uniqueness Checking *
Event Level	Trade	Trade Header	Agent Trade Reference	Trade Image Content	SP
			User Trade Reference		RP
			Unique Transaction Identifier (UTI)		RP
			Unique Transaction Identifier - Unique Trade ID (UTI-TID)		RP
			CP Trade Reference		RP
			Bilateral Comments		RP

- Provided as parts of the trade content
- Identification of a trade for **correlation of post trade events**
 - Except UTI-TID, CP Trade Ref. and Bilateral Comments
- Matching counterparty trades in **linking process**
 - Except Agent Trade Ref. and User Trade Ref.



5.6.7 Unique Transaction Identifier

- **Unique Transaction Identifier** (UTI) is a mandatory information required by the reporting requirement
- Both sides of a transaction supply a unique and the same UTI to the TR system
- ***Only specified overseas UTIs are acceptable***
 - US: Unique Swap Identifier (USI)
 - EU: Unique Trade ID (TID)



5.6.7 Unique Transaction Identifier

- For a transaction assigned with a **USI**
 - UTI Indicator filled Yes
 - UTI filled with the value of the USI
- For a transaction assigned with a **TID**
 - UTI-TID filled with the value of the TID
- Provide **both USI and TID respectively** when a transaction are assigned with both identifiers



5.6.8 Uniqueness of References

- In general, all identifications and references must be **unique** within a reporting party
- However, the **following references can be re-used after** *previous trades carrying the same reference are **terminated, quitted or withdrawn***
 - User Trade Reference
 - Agent Trade Reference
 - Unique Transaction Identifier (UTI)
 - Unique Transaction Identifier - Unique Trade ID (UTI-TID)
 - CP Trade Reference (combined with CP ID)



5.7 Trade Attributes

- Some of the most important **trade attributes**
 - Submitting Party, Reporting Party and Trade Party
 - Event Date
 - Last Event Date
 - Reporting Time
 - Trade Status
 - Trade Event Status
 - Reference Branch of Trade Party
 - Desk ID



5.7.1 Submitting Party, Reporting Party & Trade Party

- **Submitting Party**

- A party who **submits a trade to the TR system**
- A submitting party can be
 - A TR Participant who submits the trade event request directly for itself
 - An agent who submits the trade event on behalf of another TR Participant



5.7.1 Submitting Party, Reporting Party & Trade Party

- **Reporting Party**

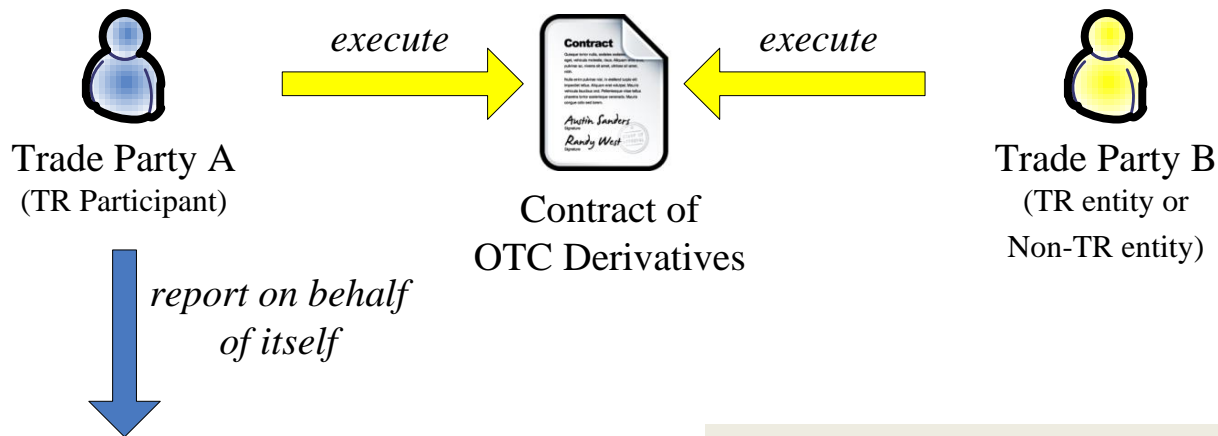
- A party who has the reporting obligation to report a trade
- A reporting party must be a TR Participant who is
 - Reporting for either one of the trade parties, but
 - Not necessarily be one of the trade parties

- **Trade Party**

- One of the transacting parties of a reportable trade
- A trade party can either be
 - A TR Entity
 - A Non-TR Entity



5.7.1 Submitting Party, Reporting Party & Trade Party



New Trade Event

Submitting Party : Trade Party A
Reporting Party : Trade Party A
Reporting for : Trade Party A

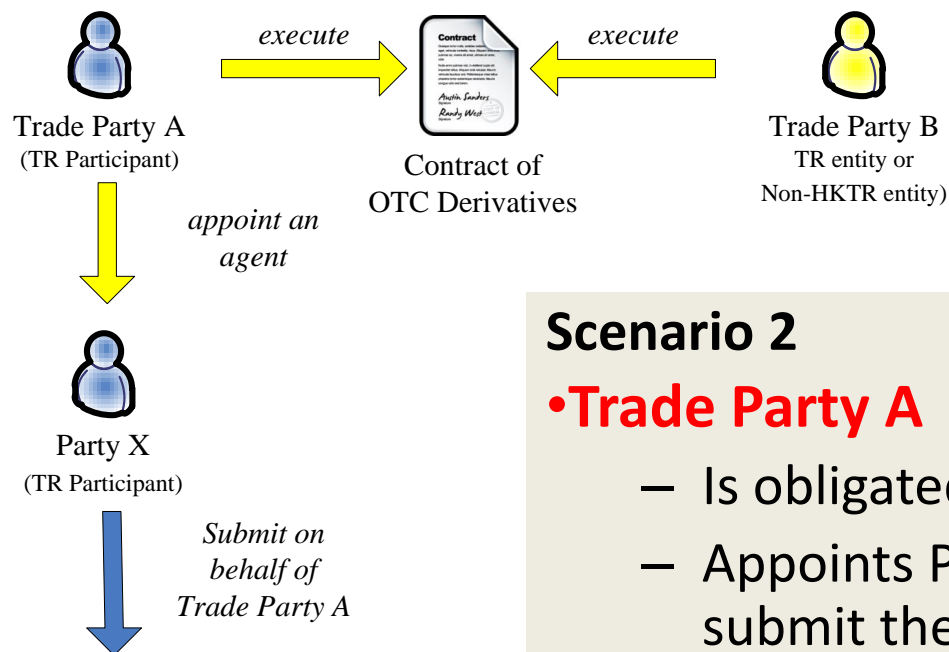
Trade Party 1 : Trade Party A
Trade Party 2 : Trade Party B
...

Scenario 1

- **Trade Party A**
 - Is obligated to report a trade
 - Submits and reports a trade for itself directly



5.7.1 Submitting Party, Reporting Party & Trade Party



New Trade Event

Submitting Party : Party X
Reporting Party : Trade Party A
Reporting for : Trade Party A

Trade Party 1 : Trade Party A
Trade Party 2 : Trade Party B
...

Scenario 2

•Trade Party A

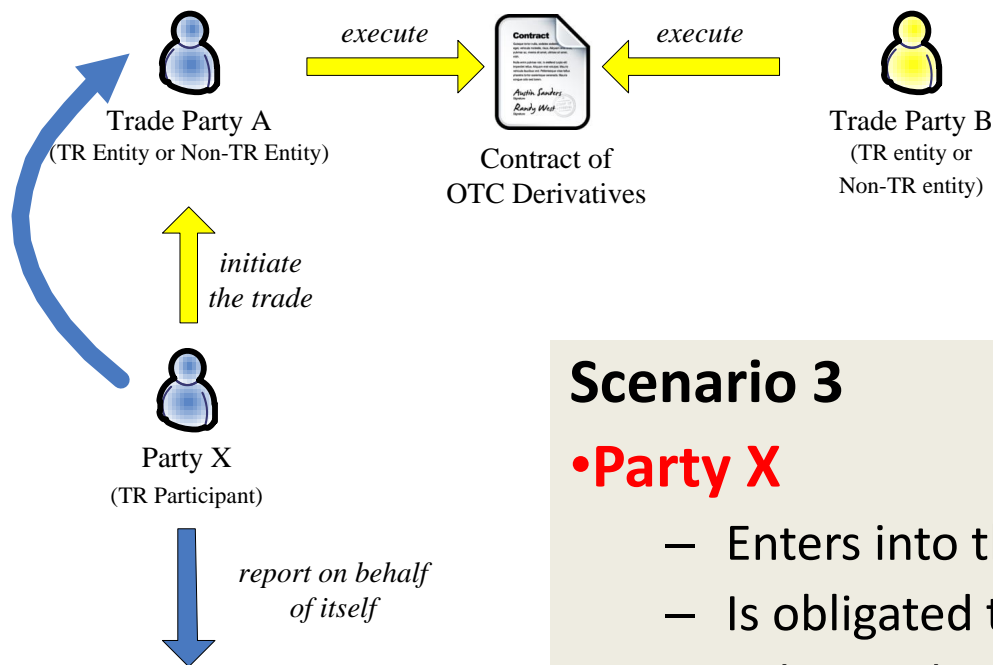
- Is obligated to report
- Appoints Party X as an agent to submit the trade indirectly

•Party X

- Acts as an agent to submit the trade event on behalf of Trade Party A



5.7.1 Submitting Party, Reporting Party & Trade Party



New Trade Event

Submitting Party : Party X
Reporting Party : Party X
Reporting for : Trade Party A

Trade Party 1 : Trade Party A
Trade Party 2 : Trade Party B

...

Scenario 3

•Party X

- Enters into the trade for Trade Party A
- Is obligated to report
- Submits the trade event directly and reports for Trade Party A

•Trade Party A

- One of the trade parties of the trade



5.7.2 Event Date

Event Date

- Is determined according to the type of trade event

Trade Event	Event Date
New Trade	Trade Date
Backloading	Backloading Date
Amendment	Agreement Date
Partial Termination	
Full Termination	
Quit	Current Date
Withdrawal	
Suppress Uncertain	N/A
Relink	



5.7.3 Last Event Date

Last Event Date

- Is a **trade level information**
- Records the Event Date of the last trade event applied to a trade
- Will only be updated if an updating trade event carries an Event Date
- **Sequence checking** ensures post trade events are reported in proper chronological order
 - Event Date \geq Last Event Date



5.7.4 Reporting Time

Reporting Time

- Is the **timestamp** at which the TR system captures a trade event request file
- Is used to determine whether a trade event is reported late



5.7.5 Trade Status

Trade Status	Code	Description
Active	AT	Indicate the trade is still outstanding. When a trade record is created, the initial trade status is Active.
Matured	MU	The trade is updated by the TR system automatically to Matured on termination date or value date.
Terminated	TM	A trade is updated to Terminated when its outstanding notional amount is zero.
Quit	QT	A trade is updated to Quit when it is ended by a quit trade event. The TR system will automatically update all trades reported by a reporting party to Quit when such party's reporting obligation is terminated.
Withdrawn	WD	The trade is updated to Withdrawn by withdrawal trade event.



5.7.5 Trade Status

- **Automatic update of trade status**
 - Update to **Quit**
 - When a TR Participant informs the HKMA its end of reporting obligation
 - TR system will apply Quit automatically to all previously reported trades for such TR Participant
 - Update to **Matured**
 - When the termination, expiration, maturity or value date of a trade is reached
 - For trades with multiple legs or expirations dates, the later date or last date will be used



5.7.6 Trade Event Status

Trade Event Status	Code	Applicable Trade Event	Description
Completed	CP	All	The trade event information has been successfully applied to the trade.
Cancelled	CN	Relink	The trade event is cancelled by user or automatically by the TR system.
Unmatched	UM	Relink	The input trade event is unmatched with counterparty trade event.



5.7.7 Reference Branch of Trade Party

- **Mandatory information** required under the regulatory reporting requirement
- To identify the **location of the branch** into which the transaction is booked
 - SWIFT BIC of the branch, or
 - ISO jurisdiction code & internal branch code
- Participants should follow the relevant instructions stipulated by authorities when filling this data field



5.7.8 Desk ID

- **Mandatory information** required under the regulatory reporting requirement
- To identify the **location of the trading desk** responsible for the decision of entering into the transaction
 - ISO jurisdiction code & internal desk identifier
- Participants should follow the relevant instructions stipulated by authorities when filling this data field

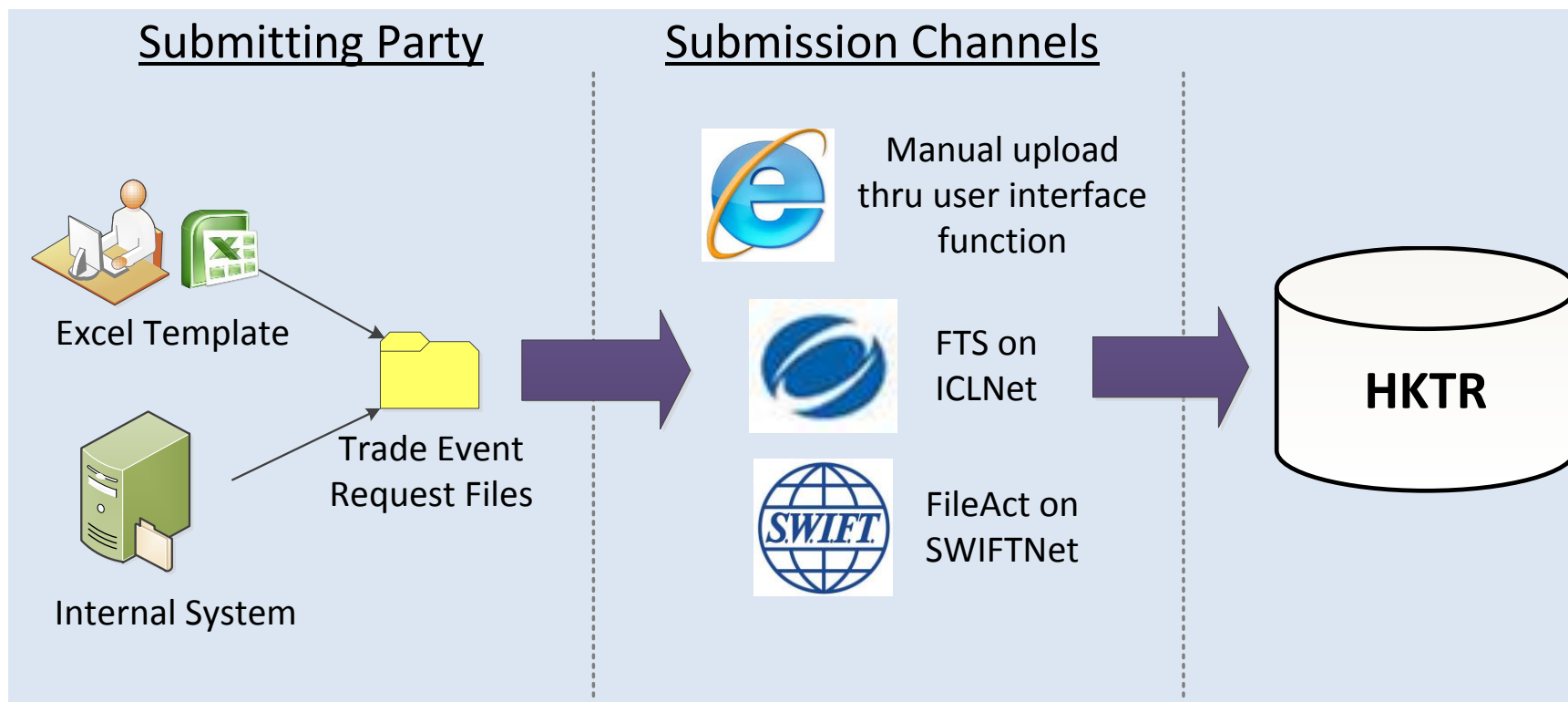


6. REPORTING TRADES TO THE HKTR

- 6.1 Trade Event Request Submission
- 6.2 Trade Information Submission Approach
- 6.3 Reporting of Novation
- 6.4 Error Corrections
- 6.5 Late Submission
- 6.6 Other Reporting Requirements



6.1 Trade Event Request Submission





6.1.1 Generate Trade Event Request Files

- **Trade event request file formats**
 - XML, Extensible Markup Language (XML) for FpML
 - CSV, comma-separated values
- **Files must conform to file specifications and standards defined in the AIDG**
 - **XML format**
 - Appendix A – Trade Submission Through XML Format
 - Appendix E – Schemas and Examples in XML Format
 - **CSV format**
 - Appendix B – Trade Submission Through CSV Format
 - Appendix C – EXCEL Templates for CSV



6.1.1 Generate Trade Event Request Files

– **Defined data field values**

- Appendix F – Enumerations and Coding Schemes

– **Other important technical specifications**

- File format
 - File naming convention
 - Validation rules
 - Handling of accepted / rejected request
- Files not in compliance with specifications and standards will result in submission failures



6.1.1 Generate Trade Event Request Files

- Notice data field case sensitivity requirements
- **Case insensitive data fields**
 - Trade entity identifiers
 - i.e. TR Member Code, LEI, SWIFT BIC and etc.
- **Case sensitive data fields**
 - All data fields except trade entity identifiers are case sensitive



6.1.2 Submit Trade Event Request Files

- **Ordinary Submission Channels**

- Straight-through processing (STP) file transfer

- File Transfer Service (FTS) on HKICL Network (ICLNet)
 - FileAct on SWIFTNet

- Manual file upload

- Through User Interface function

- **Dedicated channels agreed with the HKMA**



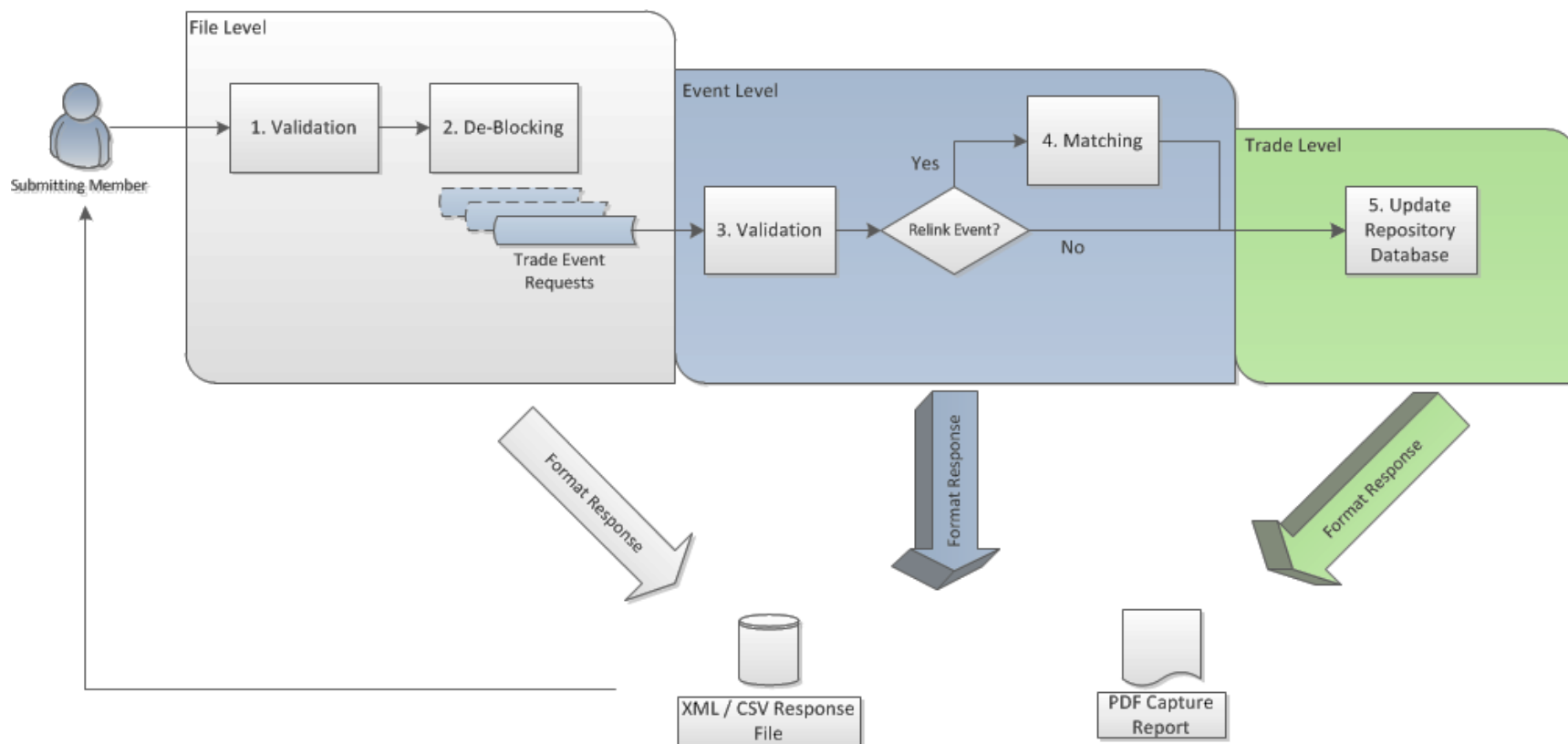
6.1.2 Submit Trade Event Request Files

- **Choice of submission** channel is independent for each submission
- Must be in **sequence and chronological order**
- Suggest to submit one file only after the previous file is captured successfully



6.1.3 Processing of Trade Event Requests

Trade Events Processing Flowchart





6.2 Trade Information Submission Approach

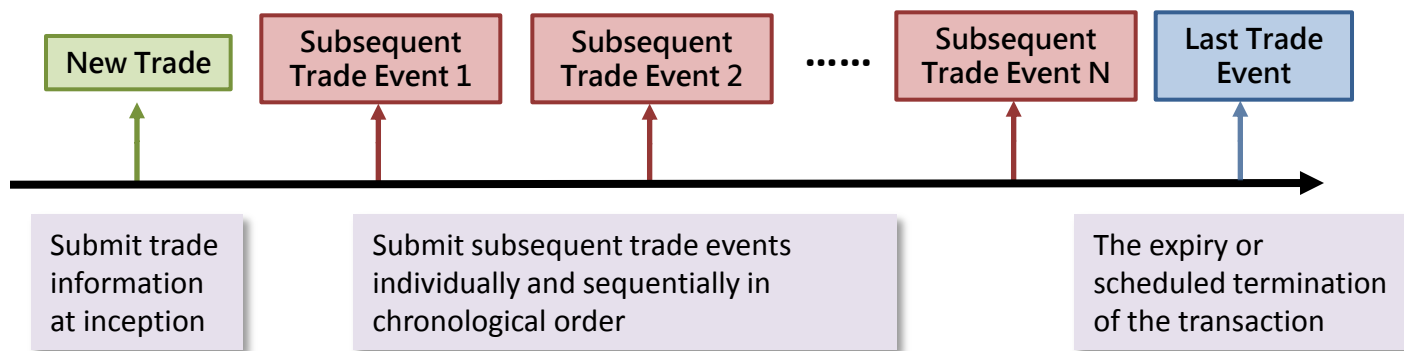
- The TR system supports two approaches
 - Life cycle approach
 - Snapshot approach
- Reporting parties may opt to adopt **different approaches** for different transactions
- Choice of approaches is **independent of** other trade / reporting counterparties



6.2 Trade Information Submission Approach

- **Life cycle approach**

- Submit trade information at inception
- Submit subsequent trade events individually and sequentially in chronological order
- Each submission signifies a single trade event
- Until the expiry or scheduled termination of the transaction
- **Ensure the previous request has been processed successfully before submitting a new request**

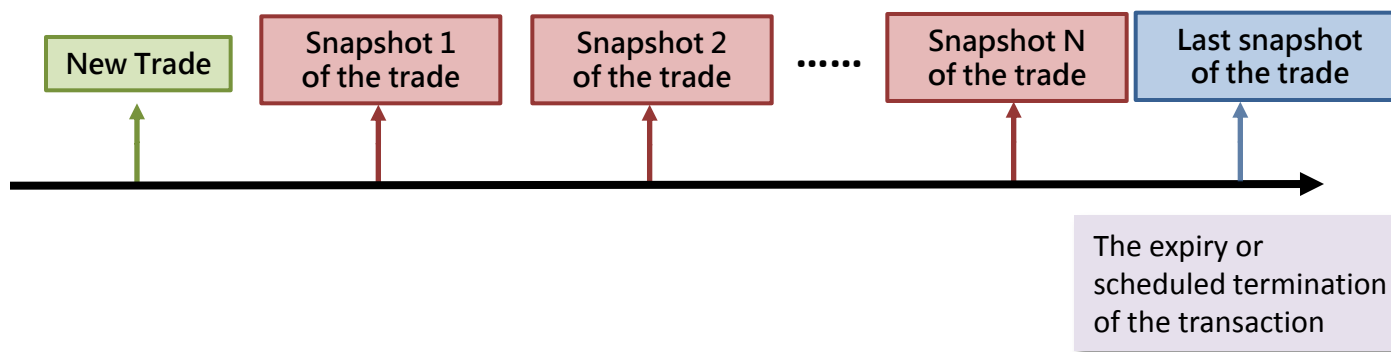




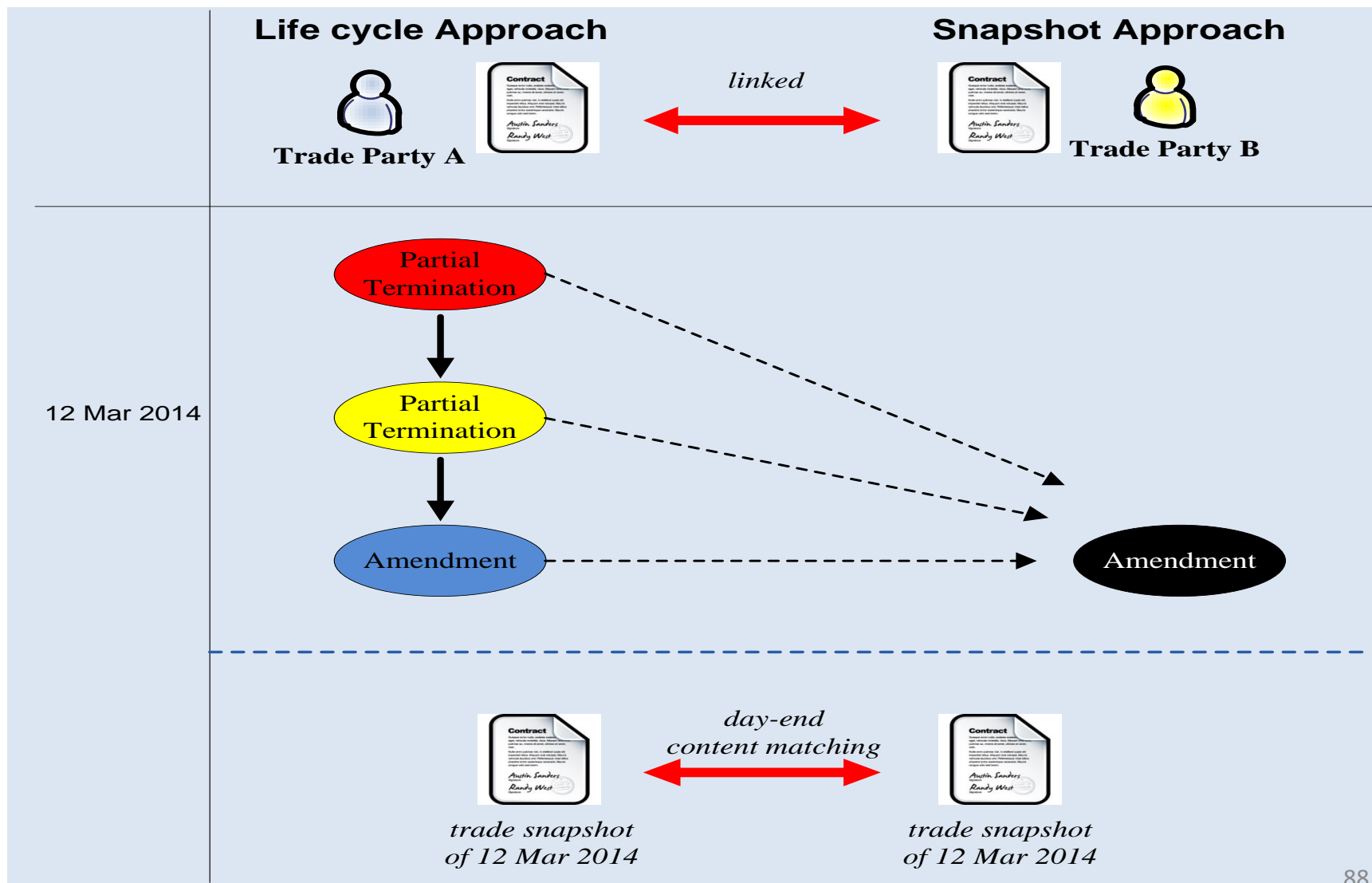
6.2 Trade Information Submission Approach

- **Snapshot approach**

- Report snapshots of a transaction
- Each snapshot may incorporate multiple trade events which must take place on the same trade date or agreement date
- Submit sequentially in chronological order
- **Ensure the previous request has been processed successfully before submitting a new request**



6.2 Trade Information Submission Approach





6.3 Reporting of Novation

- Reporting party should observe the respective regulatory requirement to choose the correct approach to report a novation event
- Example used in this topic is an illustration of the TR system behaviour only



6.3.1 Report Trade Events for Novation

- **Full Novation**

- Submit a Full Termination or Amendment trade event to **reduce the notional amount of the original trade to zero**
- Followed by a New Trade event to create a new trade in which the **counterparty is the step-in party**

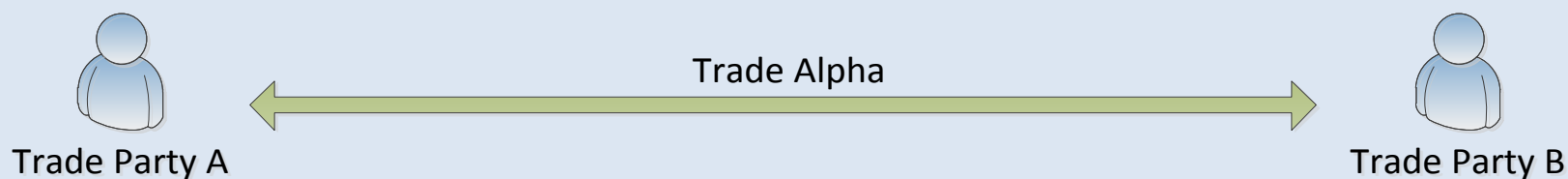
- **Partial Novation**

- Submit a Partial Termination or Amendment event to **reduce the notional amount of the original trade**
- Followed by a New Trade event to create a new trade in which the **counterparty is the step-in party with the notional amount transferred**

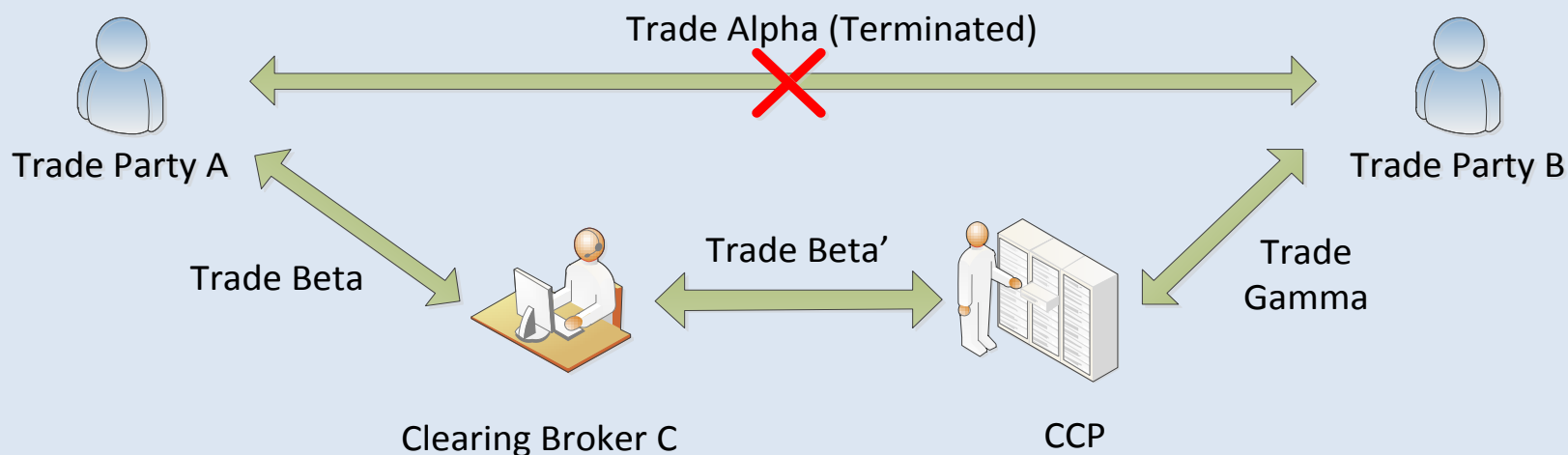


6.3.2 Novation Example

Before CCP Novation



After CCP Novation (with Clearing Broker involved)





6.3.2 Novation Example

- Trade Party A is an **indirect participant of the CCP**
- Reports **Trade Alpha** **before novation** in **steps**
 - Submit a **New Trade** event

Counterparty:	Trade Party B
UTI:	UTI_TRADE_ALPHA
Notional Amount:	USD 1,000,000
Clearing Broker:	Clearing Broker C
Clearing:	Y
Cleared:	N
Trade Date:	1 Dec 20xx

– Then, submit a **Full Termination** trade event



6.3.2 Novation Example

- Trade Party A clears the trade **through Clearing Broker C** to the CCP
- Reports **Trade Beta** after novation
 - Submit a **New Trade** event

Counterparty:	Clearing Broker C
Counterparty before CCP Novation:	Trade Party B
UTI:	UTI_TRADE_BETA
Prior UTI:	UTI_TRADE_ALPHA
Notional Amount:	USD 1,000,000
Clearing:	Y
Cleared:	Y
Trade Date:	2 Dec 20xx
Remarks:	1 Dec 20xx



6.3.2 Novation Example

- Trade Party B is a **direct participant of the CCP**
- Reports **Trade Alpha** **before novation** in **steps**
 - Submit a **New Trade** event

Counterparty:	Trade Party A
UTI:	UTI_TRADE_ALPHA
Notional Amount:	USD 1,000,000
Clearing:	Y
Cleared:	N
Trade Date:	1 Dec 20xx

– Then, submit a **Full Termination** trade event



6.3.2 Novation Example

- Trade Party B clears the trade **directly** with the CCP
- Reports **Trade Gamma** **after novation**
 - Submit a New Trade event

Counterparty:	CCP
Counterparty before CCP Novation:	Trade Party A
UTI:	UTI_TRADE_GAMMA
Prior UTI:	UTI_TRADE_ALPHA
Notional Amount:	USD 1,000,000
Clearing:	Y
Cleared:	Y
Trade Date:	2 Dec 20xx
Remarks:	1 Dec 20xx



6.4 Error Corrections

- **Reporting parties**
 - Are required to report new transactions and subsequent events correctly and in a timely manner
 - Should **correct any errors** submitted to the HKTR within two business days
 - Should observe the respective regulatory requirement to choose an appropriate error correction approach







6.4 Error Corrections

- **Two approaches to correct errors**
 - **Snapshot approach**
 - Correct the **latest position only**
 - Errors in previous submission remain uncorrected
 - **Life cycle approach**
 - Correct errors in **all previous submission**
 - Applicable when involves
 - Non-amendable data fields
 - Transactions already matured or terminated

6.4 Error Corrections

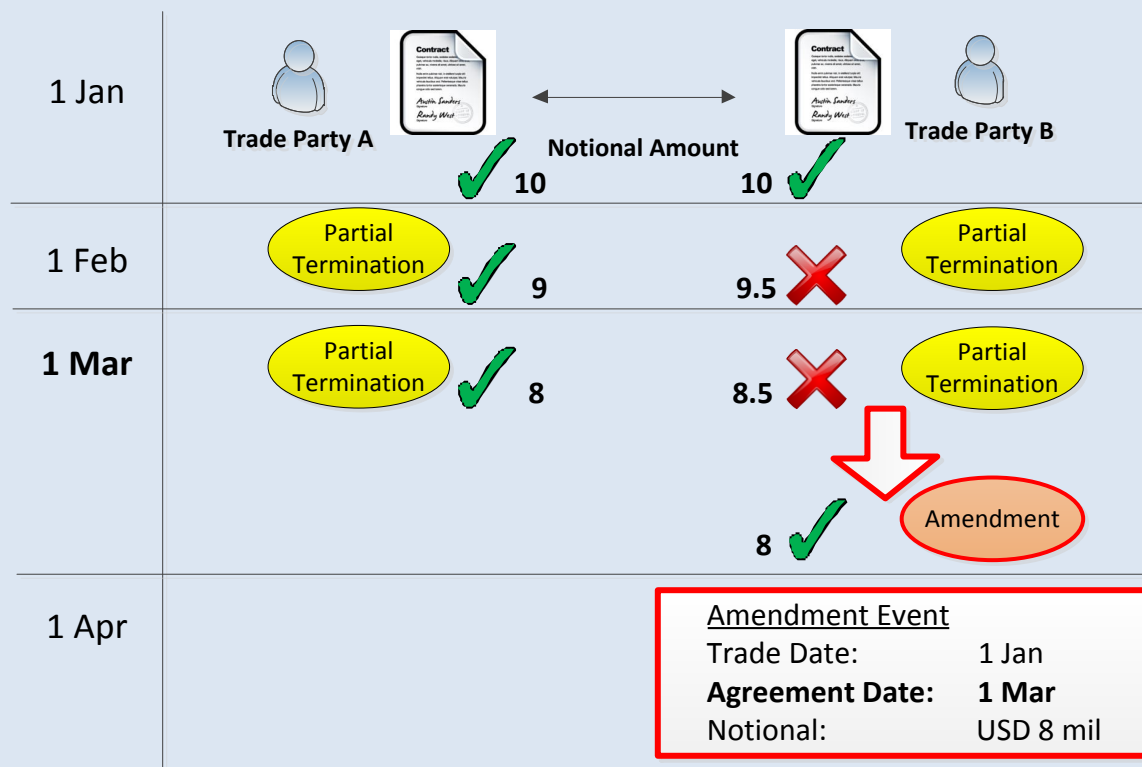
- Example

1 Jan	 Trade Party A	 ✓ 10	Notional Amount	10 ✓ 	 Trade Party B
1 Feb	Partial Termination ✓ 9			9.5 ✗	Partial Termination
1 Mar	Partial Termination ✓ 8			8.5 ✗	Partial Termination



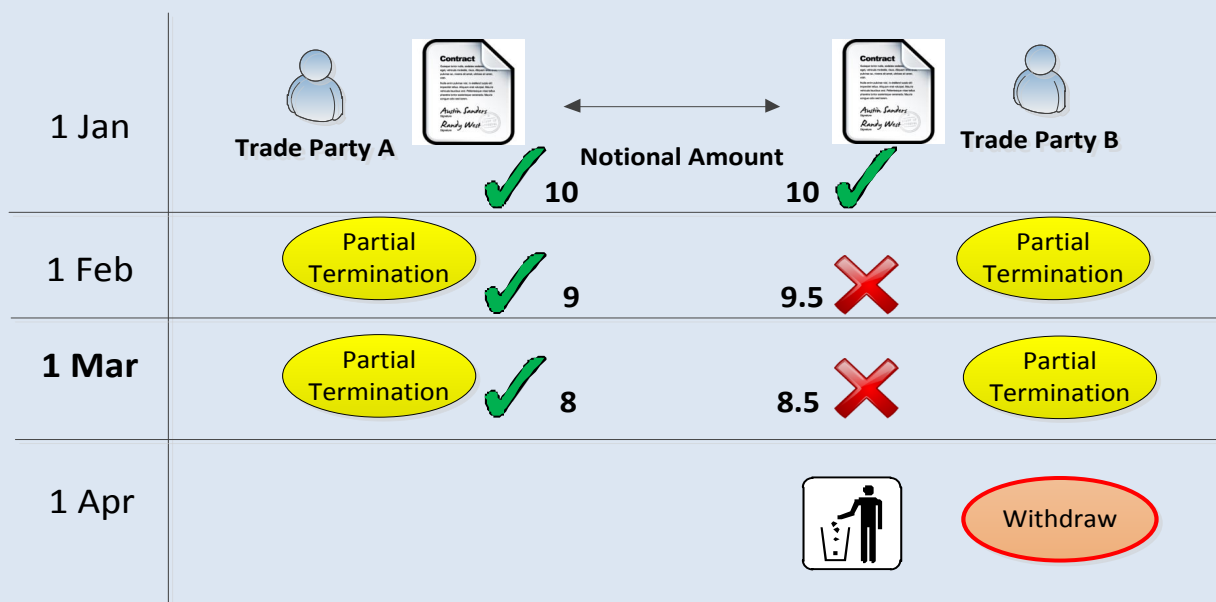
6.4.1 Correction by Snapshot Approach

- Submit an Amendment trade event
- Amend the last event position, i.e. 1 March



6.4.2 Correction by Life Cycle Approach

- First, withdraw the original transaction



- Then, report new transactions with positions corrected at all subsequent event dates

6.4.2 Correction by Life Cycle Approach

- Then, report new transactions with positions corrected at all subsequent event dates

1 Jan			
	Trade Party A	Notional Amount	Trade Party B
	✓ 10	10 ✓	New Trade
1 Feb	Partial Termination ✓ 9	9 ✓	Partial Termination
1 Mar	Partial Termination ✓ 8	8 ✓	Partial Termination
1 Apr	<div> <u>New Trade Event</u> Trade Date: 1 Jan Notional: USD 10 mil </div> <div> <u>Partial Termination Event</u> Trade Date: 1 Jan Agreement Date: 1 Feb Change in Notional: USD 1 mil O/S Notional: USD 9 mil </div> <div> <u>Partial Termination Event</u> Trade Date: 1 Jan Agreement Date: 1 Mar Change in Notional: USD 1 mil O/S Notional: USD 8 mil </div>		



6.5 Late Submission

- Reporting parties should observe the latest regulatory requirement regarding the reporting timeframe
- The system late submission indicator is for reference only



6.5 Late Submission

- Under a normal situation, late submission is
 - Determined on trade event level
 - i.e. Not trade level
 - **Submission date** 2 business days > **event date**
 - Can be enquired through UI functions

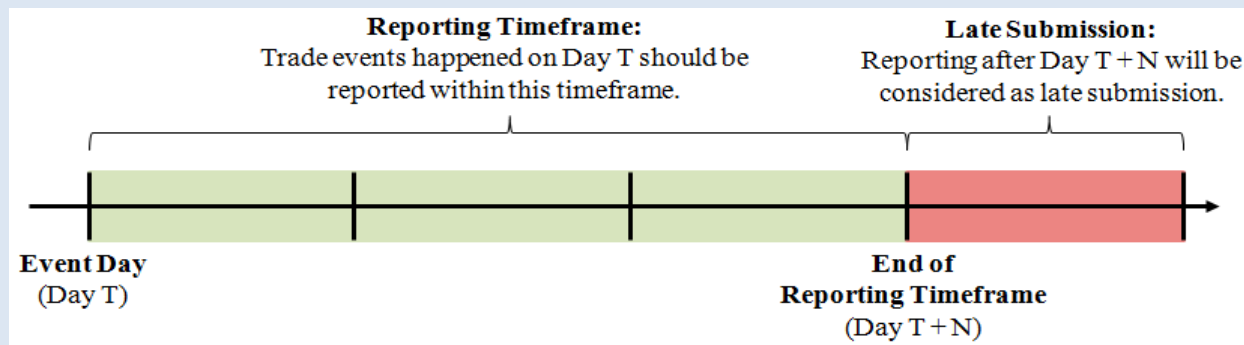


6.5 Late Submission

- Trade events that are **excluded from late submission checking**
 - Withdrawal
 - Quit
 - Suppress Uncertain
 - Relink
- Only reflects to the party who submits the trade event late



6.5 Late Submission



- The calculation formula
 - **Day T + N**
 - T is the event date of the trade event
 - N is the number of days allowed by the regulator in which the reported trade event will not be treated as late submission under general and special situations
- **Exclude** Saturdays, Sundays and holidays defined in the TR system



6.5 Late Submission

January 20x2						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			31/12	1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

- **Assumptions**
 - N is 2 days
 - 1 Jan 20x2 is a holiday defined in the TR system
- A new trade is executed on 31 December 20x1
- The New Trade event is not regarded as late submission if it is reported to the HKTR by the reporting party on or before 5 January 20x2
- **1 January 20x2 is not counted**
- **Saturday and Sunday (3 and 4 January 20x2) are also excluded**



6.6 Other Reporting Requirements

- The authorities set out **other reporting requirements and instructions** to be observed by participants
- Stipulated in rules, codes, supplementary guidelines, notes and documents
- Including but not limit to
 - Concession and grace periods
 - Transactions conducted in Hong Kong
 - Transfer of booking
 - Inter and intra branch transactions
 - Centrally cleared transactions
 - And more...



7. PROCESSING OF REPORTING TRADES

- 7.1 Validation of Trade Event Request
- 7.2 Linking Process
- 7.3 Mis-linkage and Resolution
- 7.4 Reconciliation Process



7.1 Validation of Trade Event Request

- A trade event request file **may carry multiple trade event requests**
- **Each request will be processed individually**
 - Business validation rules
 - Reporting obligation checking
 - Sequence checking



7.1.1 Business Validation Rules

- The syntax of request files must conform to the **published standards**
- **Each trade event request** in the file will be **examined individually** in accordance with the validation rules
- Published standards and validation rules are stipulated in the **AIDG** of the Reporting Service



7.1.2 Reporting Obligation Checking

- **Reporting obligation is specified in the TR system for each sub product type**
 - e.g. IR Fix vs Float, IR Basis Swap, FX NDF
- Participants may have **different reporting obligation settings** for each sub product
- Maintained by the HKMA
- TR system **validates** if the reporting party has **reporting obligation** when a trade event request is received



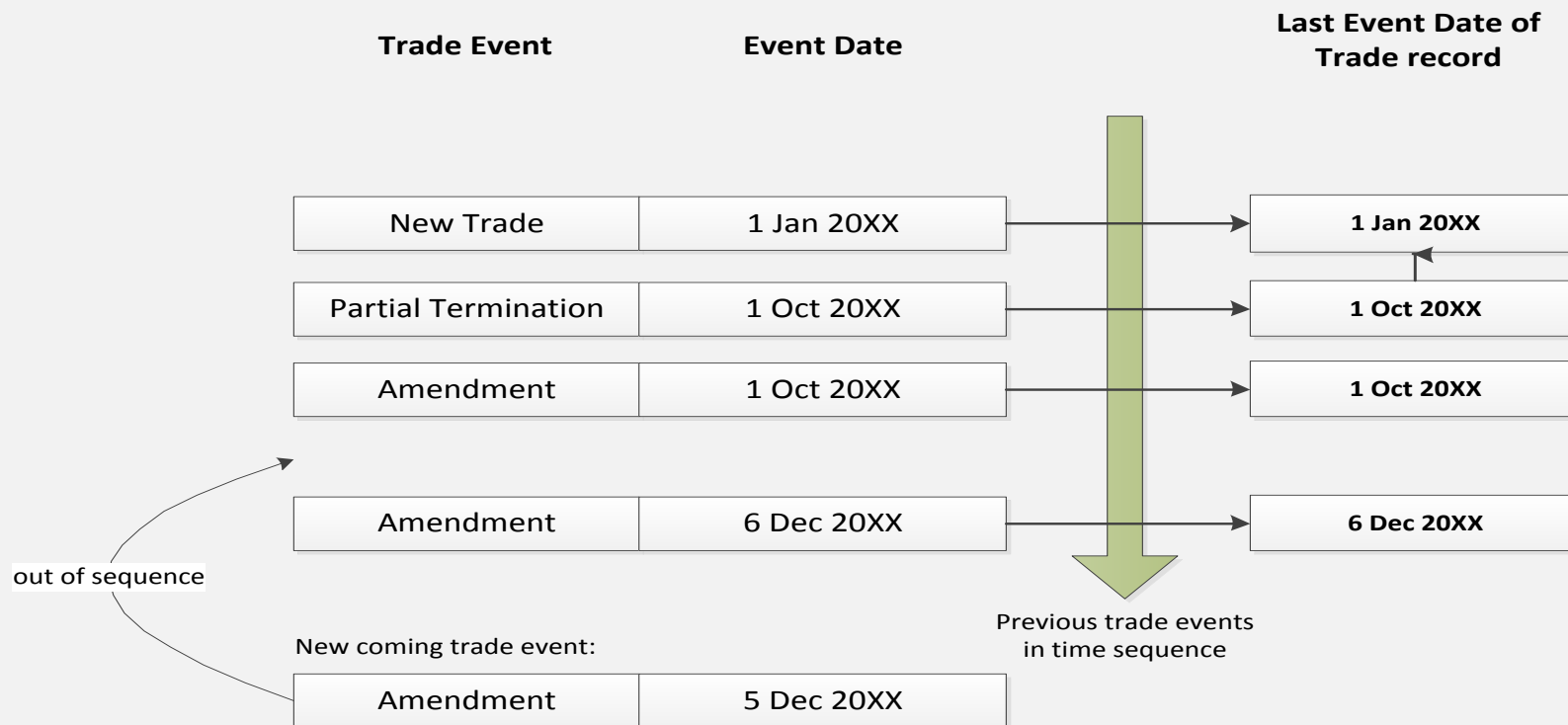
7.1.3 Sequence Checking

- Check if post trade events are submitted in **chronological order**
- Generally
 - Event Date in a post trade event \geq Last Event Date of the trade
 - Last Event Date of a trade = Event Date of the last processed event
- **Trade events which are out of sequence are rejected**



7.1.3 Sequence Checking

- The following diagram illustrates an out of sequence situation





7.1.4 Handling of Rejected Request

- The submitting party will receive a **response file** and a **capture report** which contain
 - The rejected validation results
 - Reject code and reason
- **Rejected requests will not be kept in the TR system for further processing**



7.1.5 Handling of Accepted Request

- Valid trade event requests will be **kept in the TR system** as historical records
- **Can be enquired** through the trade history view of UI enquiry function
- Trade event is **updated** immediately to the trade with information submitted from the reporting party **except Relink**
- **Matching process is required for Relink events**



7.2 Linking Process

- To **identify two trade copies** reported from two individual reporting parties which refer to the same real life trade contract
- To **avoid duplication** of the same trade contract during the calculation of aggregate position
- It sets up pairs of linked trades for subsequent reconciliation process
- Performs in **day-end batch** by the TR system



7.2.1 Results of Linking Process

- **Linked**
 - A trade is successfully linked to a trade submitted by reporting party of the other side
- **Unlinked**
 - A trade is not linked to any trade
 - **Will be selected for linking in the next linking process**



7.2.1 Results of Linking Process

- **Single Sided**
 - A trade is not linked to any trade
 - Will **not** be considered for **linking in the future** unless it is changed back to an unlinked trade
- There are *thirteen conditions* that a trade is considered a single sided trade
- **Highlights**
 - The counterparty of the trade is a non-TR entity
 - The trade is deliberately relinked to no trade
 - The trade is withdrawn by user



7.2.2 Key Fields for Linking

- TR system compares **Key Fields** of two trades to identify that are referring to the same real life trade contract
- Five sets of Key Fields
- Employed in sequence depending on situations
- Once Key Fields are matched, two trades will be linked



7.2.2 Key Fields for Linking

1. Key Fields set 1

- **Trades with Unique Transaction Identifier – Unique Trade ID (UTI-TID) assigned**
- **When both reporting parties provide the UTI-TID**
- Key Fields comprise of:
 - Product Taxonomy (Product Type & Product Sub-type)
 - Trade Party 1
 - Trade Party 2
 - Unique Transaction Identifier – Unique Trade ID (UTI-TID)



7.2.2 Key Fields for Linking

2. *Key Fields set 2*

- **Trades with Unique Transaction Identifier (UTI) assigned**
- **When both reporting parties provide the UTI**
- **Key Fields comprise of:**
 - Product Taxonomy (Product Type & Product Sub-type)
 - Trade Party 1
 - Trade Party 2
 - Unique Transaction Identifier (UTI)



7.2.2 Key Fields for Linking

3. Key Fields set 3

- **Trades confirmed through Confirmation Platform (CP)**
- **When both reporting parties provide the CP ID and CP Trade Reference**
- Key Fields comprise of:
 - Product Taxonomy (Product Type & Product Sub-type)
 - Trade Party 1
 - Trade Party 2
 - CP ID
 - CP Trade Reference



7.2.2 Key Fields for Linking

4. Key Fields set 4

- **Trades bilaterally confirmed with bilaterally agreed identifier**
- **When both reporting parties provide the bilaterally agreed identifier in the Bilateral Comments field**
- **Key Fields comprise of:**
 - Product Taxonomy (Product Type & Product Sub-type)
 - Trade Party 1
 - Trade Party 2
 - Bilateral Comments



7.2.2 Key Fields for Linking

5. Key Fields set 5

- **When none of the above 4 sets of Key Fields is applicable**
- **Linking / Matching Fields are used**
- These fields are defined specifically for each product type
 - Refer to the AIDG Appendix C

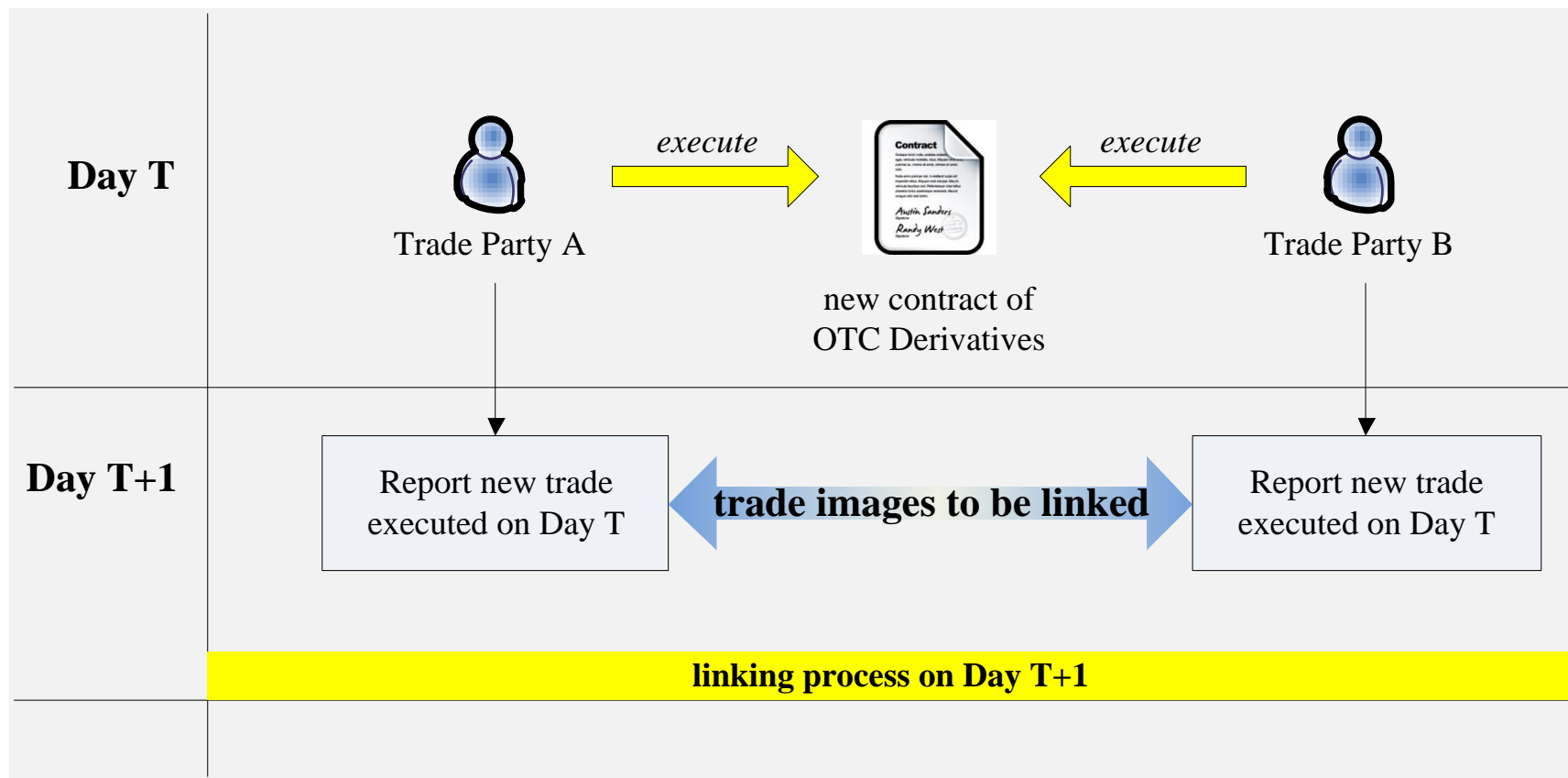


7.2.3 Linking Mechanism

- Performs in **day-end batch processing**
- **On unlinked trades, *except***
 - *Quitted*
 - *Matured, and*
 - *Withdrawn*
- **By comparing the latest snapshots of the applicable trades**



7.2.3 Linking Mechanism





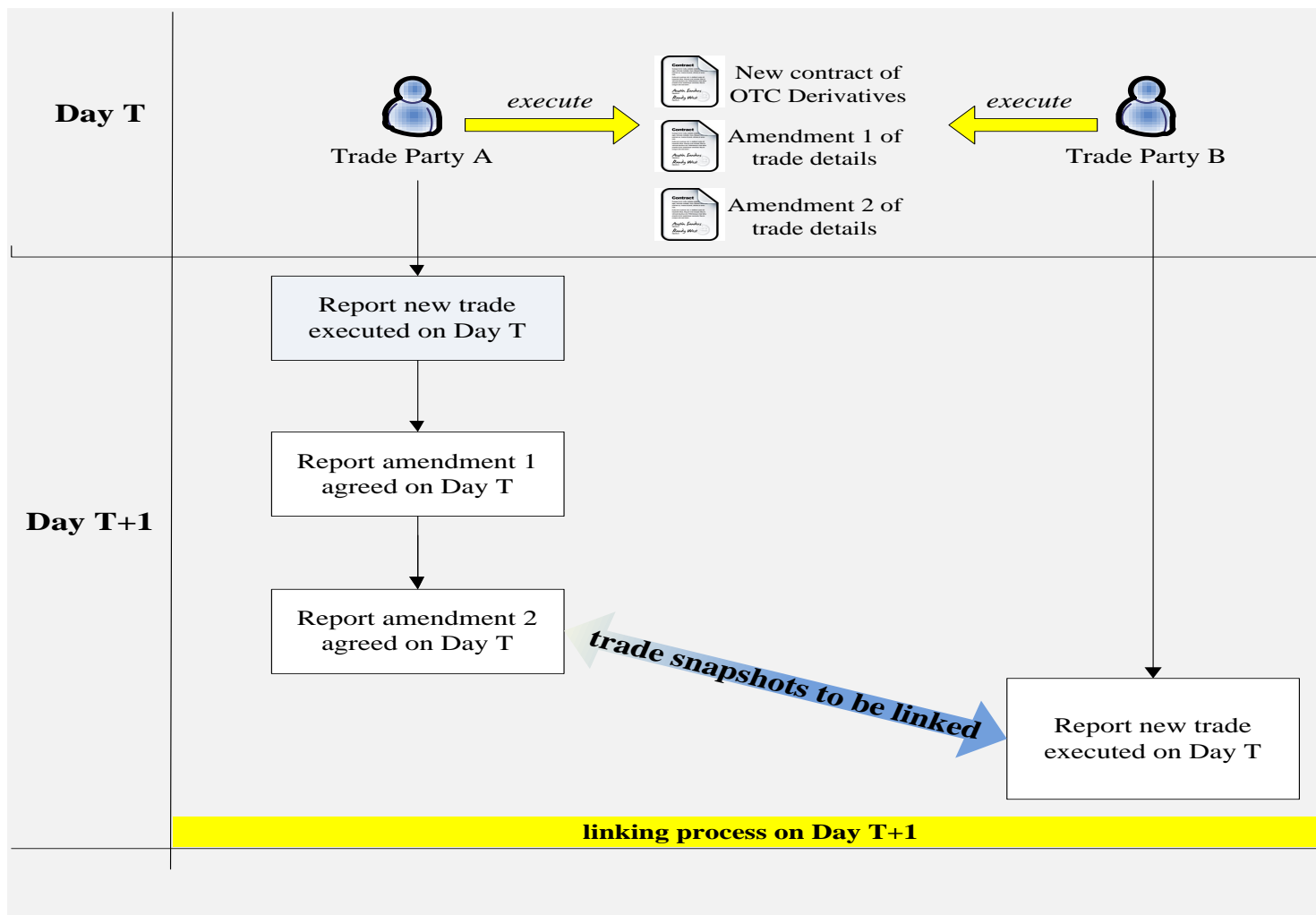
7.2.3 Linking Mechanism

Linking trades with **different trade information submission approaches**

- Latest trade snapshots are used
- Regardless of submission approach, i.e.
 - Life cycle approach
 - Snapshot approach



7.2.3 Linking Mechanism





7.2.3 Linking Mechanism

- **Matching of equity derivatives**
 - Require matching of **underlying asset ID type and underlying asset ID**
- **Matching of interest rate derivatives**
 - Schedules are matched **by existence**
 - Chronological input of date fields with multiple values, e.g. Bermuda Exercise Dates
- **Matching of party fields**
 - **ID type and ID** are used, but not party name



7.3 Mis-linkage and Resolution

- **Two scenarios of mis-linkage**
 - Mis-linkage of **two trades**
 - Mis-linkage of **a trade which is supposed to be single sided to another trade**
- **Resolution**
 - Submit **relink events** by **both parties**
 - **Matching** is required

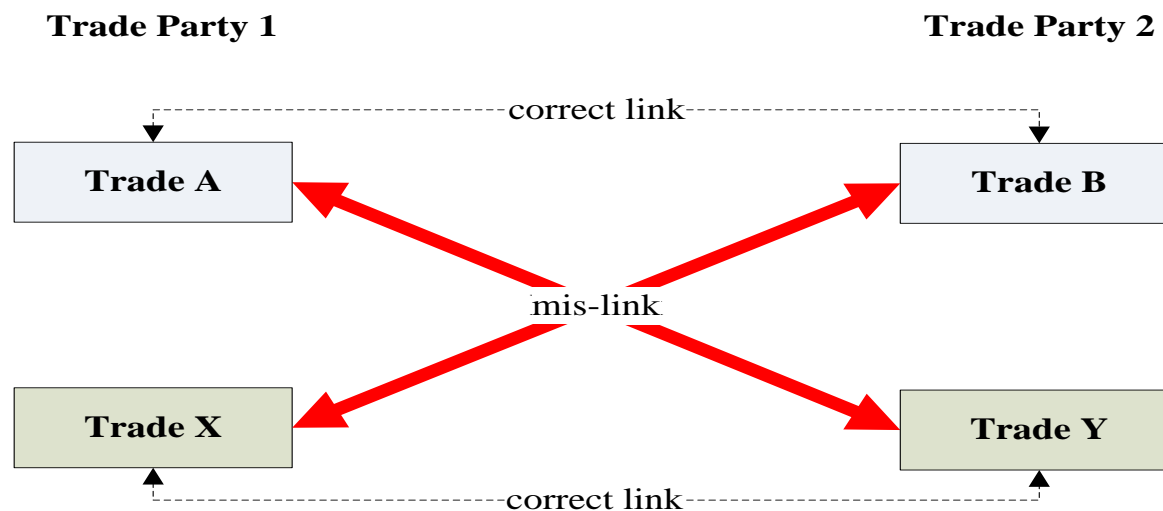


7.3.1 Mis-linkage of Two Trades

- **When Linking Key Fields set 5 situation occurs**
 - i.e. Linking / Matching Fields are used for linking
- **More than one trade from the counterparty carry the same Linking / Matching Fields**
- One of these eligible trades will be linked
- **Mis-linkage** may occur



7.3.1 Mis-linkage of Two Trades

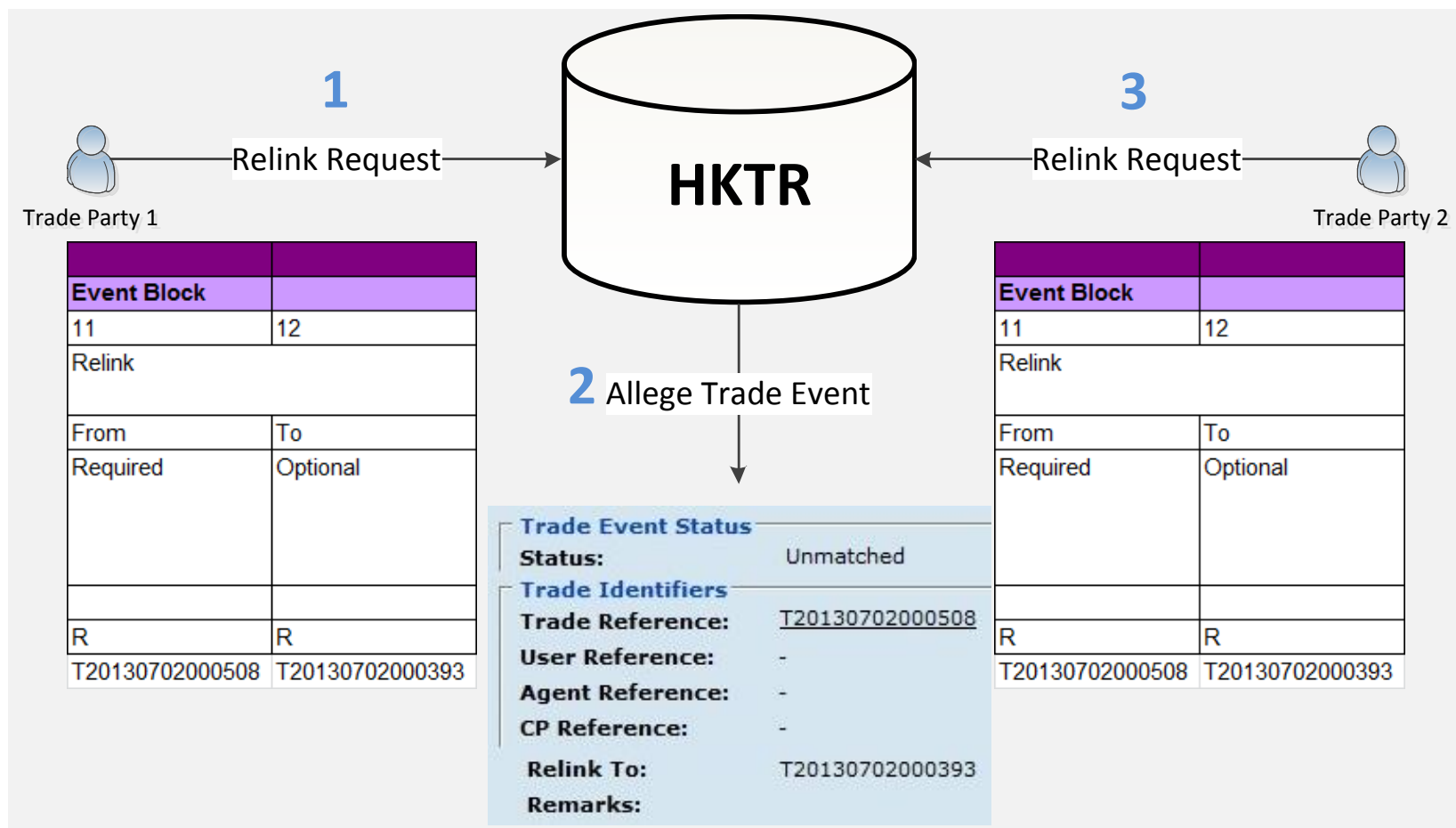


- **Resolution**

- Trade Party 1 submits **Relink request** indicating that Trade A should be linked to Trade B
- An **alleged trade event** is generated to Trade Party 2
- Trade Party 2 submits **corresponding Relink request**
- The Relink requests will go through a **matching process**

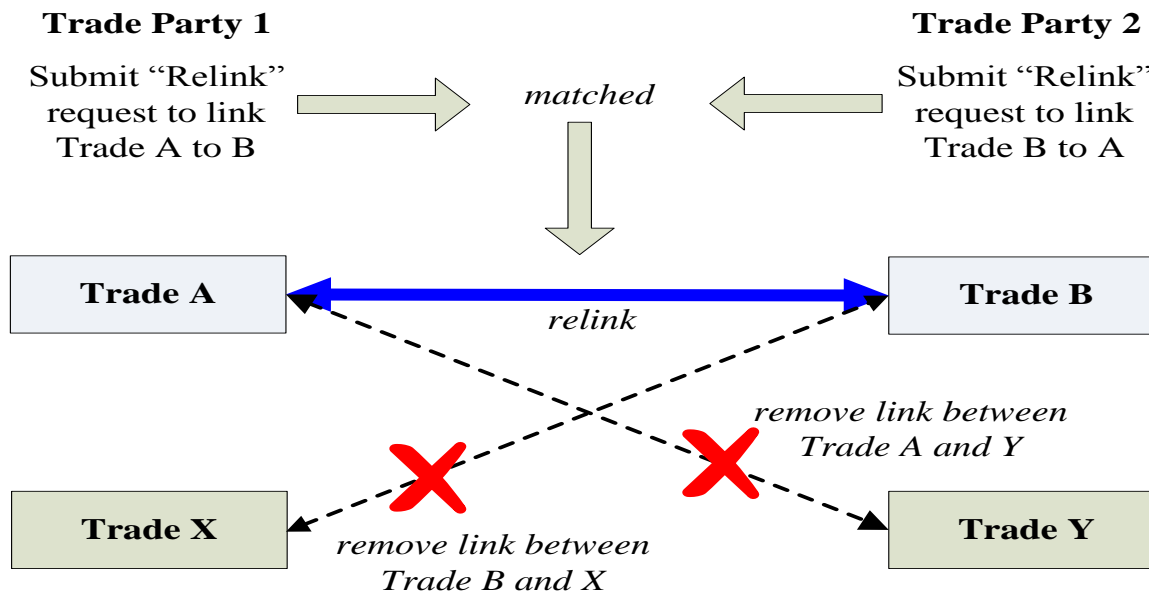


7.3.1 Mis-linkage of Two Trades





7.3.1 Mis-linkage of Two Trades



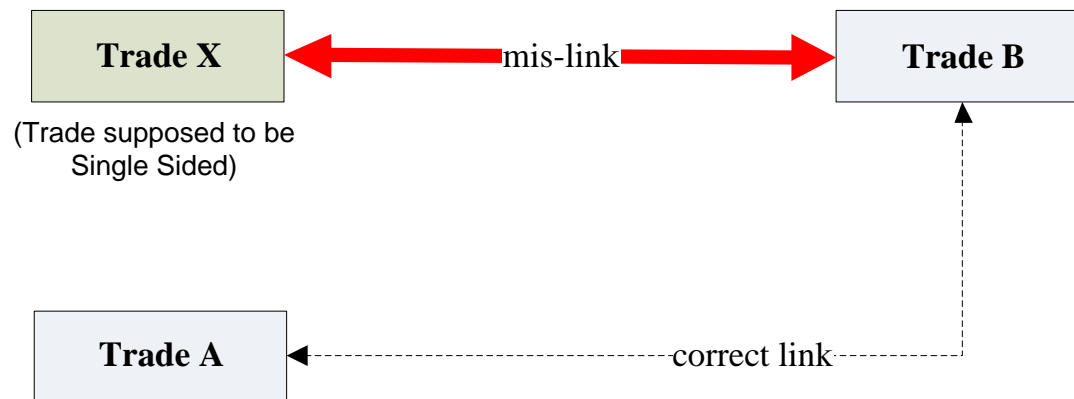
- **Result**
 - Relink is processed immediately after matched
 - The **original linkages** are **removed**
 - Trade **A** and **B** are **linked**
 - Trade **X** and **Y** are changed to **unlinked**
 - **Unlinked trades** will subject to **further linking process**



7.3.2 Mis-linkage of a Trade which is Supposed to be Single Sided

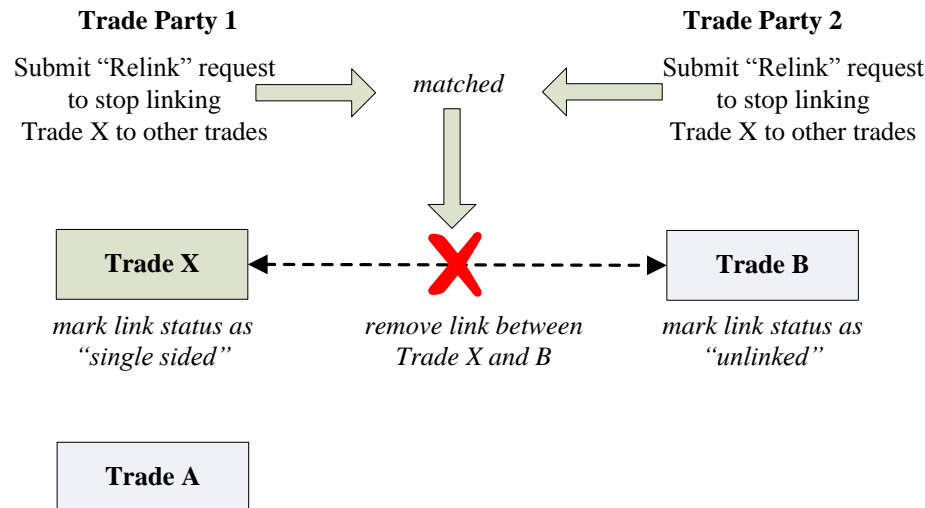
Reporting Party 1

Reporting Party 2
(e.g. overseas incorporated AI)



- A trade which is supposed to be single sided is **mis-linked** with **another trade record**
- Resolution
 - **Relink Trade X to no trade**

7.3.2 Mis-linkage of a Trade which is Supposed to be Single Sided



- Result
 - The **original linkage** is **removed**
 - Trade **X** is changed to **single sided**
 - Trade **B** is changed to **unlinked**
 - Trade **A and B** are subject to **further linking process**



7.4 Reconciliation Process

- Performs **daily** after the linking process
- Two tasks
 - Reconciliation of linked trades
 - Reconciliation of unlinked trades

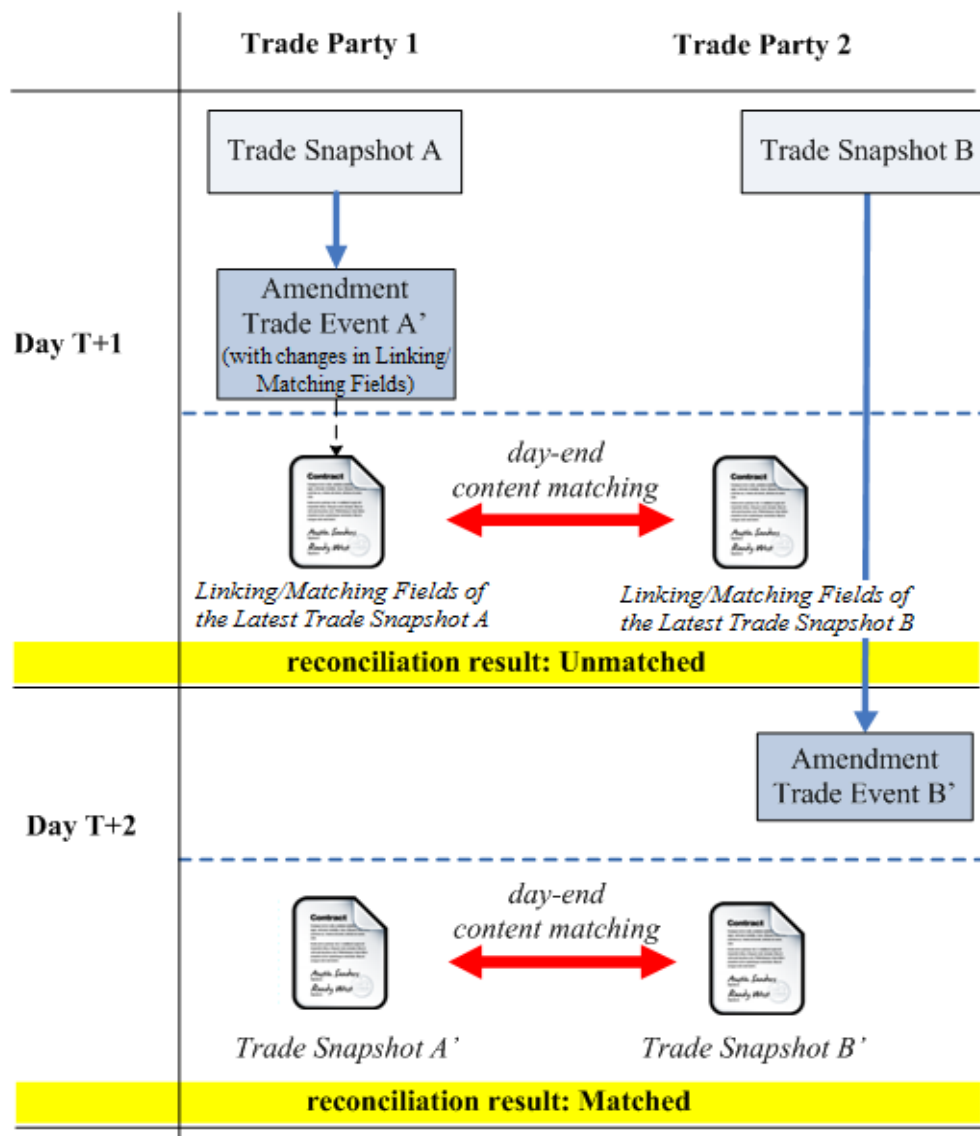


7.4.1 Reconciliation of Linked Trades

- Reconcile the **latest snapshots** of linked trades
- Compare their **Linking / Matching Fields**
- Non-Linking / Matching Fields are ignored
- Reconciliation results
 - Matched
 - Unmatched



7.4.1 Reconciliation of Linked Trades



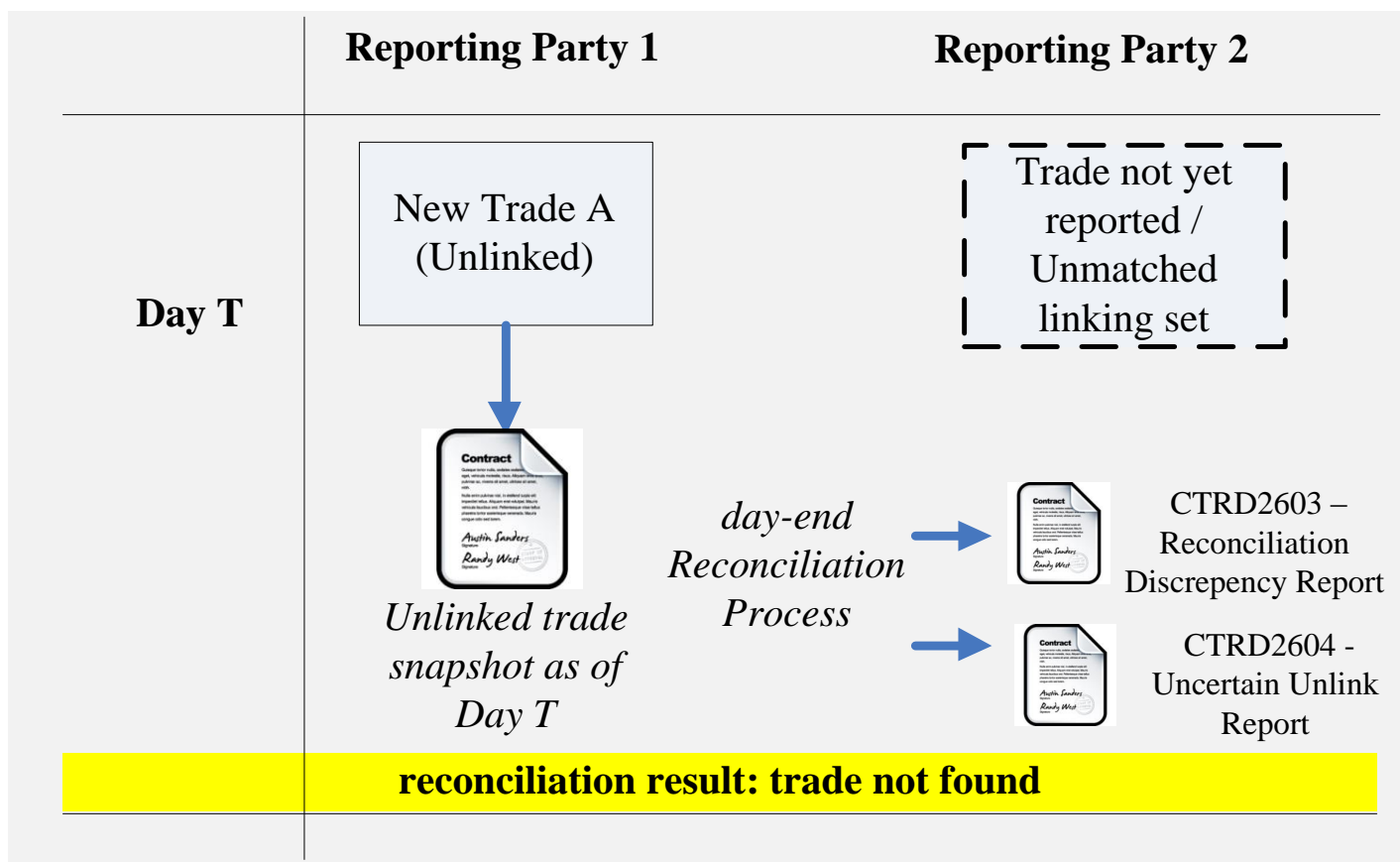


7.4.2 Reconciliation of Unlinked Trades

- **Determine the reason of unlink** according to the **institution types** of both reporting parties
- **Distribute unlinked trades to corresponding reports**
 - Participant Trade Reconciliation Discrepancy Report
 - Participant Uncertain Unlink Report



7.4.2 Reconciliation of Unlinked Trades





7.4.3 Suppress Uncertain Unlinked Trades

- **Suppress Uncertain event**
 - Indicate a trade is **not required for reporting**
 - Suppress the display of a trade in the Participant Uncertain Unlink Report
 - Has **no effect on the linking process**
 - i.e. A suppressed trade is still linkable
 - **Only available to overseas incorporated AI**



8. Party ID Bulk Change

- 8.1 Party ID Change Request
- 8.2 Processing of Party ID Change
- 8.3 Reports Checking
- 8.4 Examples



8.1 Party ID Change Request

- **Party IDs** are used in trade information submitted to identify trade parties
- **Different party IDs** are supported by the TR system
 - TR Member Code, LEI, SWIFTBIC, CI/CR, BRN, User Defined Code
- ID of the **highest priority** should always be used
- When a party ID of higher priority is available or necessary consent of masked counterparty is obtained, change can be done by
 - Submit amendment for each trade one by one, or
 - Submit a bulk party ID change request



8.1 Party ID Change Request

- **Bulk party ID change** allows user to change
 - Participant Reporting For
 - Counterparty
- **Applies to all reported active trades**
- **Only allowed to change from**
 - A non-registered party ID to another non-registered party ID
 - A non-registered party ID to a registered party ID
 - A registered party ID to another registered party ID which both refer to the same TR Entity



8.1 Party ID Change Request

- ## Examples

Participant	LEI	SWIFT BIC
Bank X	LEIXXX	BICXXX
Bank Y	LEIYYY	BICYYY
Bank Z	-	BICZZZ

Request	Old Party ID	New Party ID	Result	Reason
#1	BICXXX	LEIXXX	OK	Registered ID to a registered ID of the same party
#2	LEIYYY	BICYYY	OK	Registered ID to a registered ID of the same party
#3	BICZZZ	LEIZZZ	Failed	Registered ID to a non-registered ID is not allowed
#4	LEIZZZ	BICZZZ	OK	Non-registered ID to a registered ID
#5	LEIAAA	LEIBBB	OK	Non-registered ID to another non-registered ID
#6	BICXXX	LEIYYY	Failed	Registered ID to a registered ID of a different party is not allowed



8.1 Party ID Change Request

- Party ID change request is **submitted through the user interface (UI) of the TR system**
 - Trade Information > Party ID Change Request
 - Input change type, e.g. update counterparty
 - Input original party ID and corresponding new party ID
 - Submit for approval (*optional*)

The screenshot shows a web application window titled "Party ID Change Request". Inside, there is a section titled "Party ID Change Request Details". The form contains the following fields:

- Participant:** PARTICIPANTC - PARTICIPANTC for User Manuals
- Bulk Change Type:** Update Counterparty (dropdown menu)
- Old Party ID Type (Original Input Code):** User Defined Code (dropdown menu)
- Old Party ID (Original Input Code):** (empty text input field)
- New Party ID Type (Original Input Code):** LEI (dropdown menu)
- New Party ID (Original Input Code):** (empty text input field)
- New Party Name (Original Input Code):** (empty text input field)

Below the input fields, a red text message states: "If the New Party Name leaves blank, the Party Name of the participant will be override by blank value".



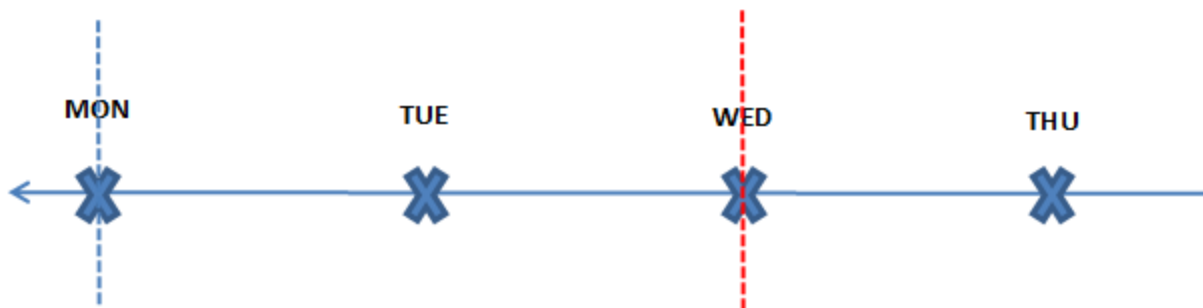
8.2 Processing of Party ID Change

- Party ID change request is **NOT** processed immediately
- In a normal situation, a change request takes **four business days** to complete
- All validation and processing will take place at the **day-end batch run**



8.2 Processing of Party ID Change

- **On Monday**
 - Submit a party ID change request
 - At day-end, system identifies all candidate trades
- **On Wednesday**
 - At day-end, previously identified candidate trades will be processed



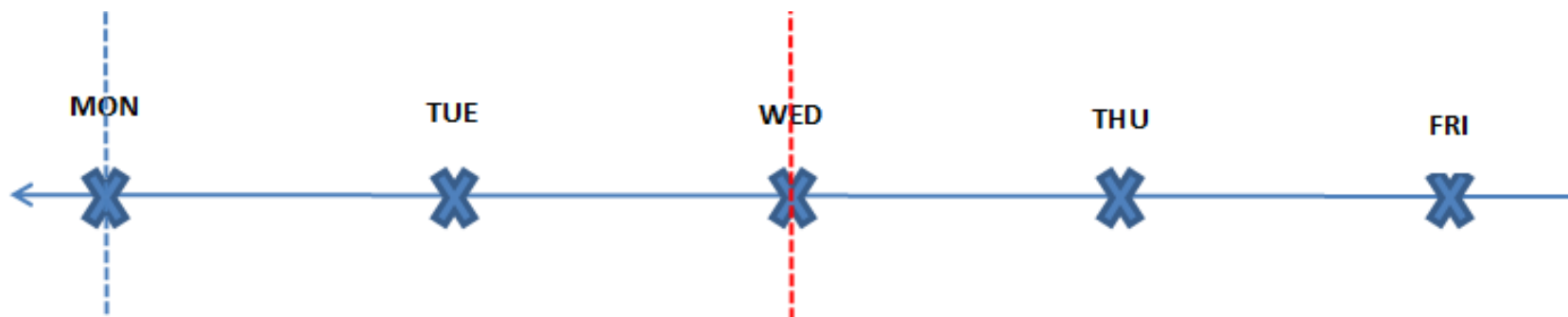


8.3 Reports Checking

- To check and monitor the status of your party ID change request
- Two system reports are generated daily
 - **CTRD2506-A Party Bulk Conversion Report** (Audit Trail)
 - Change request processing status
 - **CTRD2506-B Party Bulk Conversion Report** (Trade Summary)
 - Individual trade processing status



8.4.1 Example 1



On Monday

1. Submit party ID change request from BICXXX to LEIXXX
2. At day-end, system searches and captures active trades with "BICXXX"

On Wednesday

3. At day-end, system changes the counterparty ID from BICXXX to LEIXXX for the trades captured on Monday

Report (Mon and Tue)

- A. Request (CTRD2506-A)**
- Request Date: Mon
 - Status: New
- B. Trade Summary (CTRD2506-B)**
- 100 trades involved
 - Status: 100 Pending

Report (Wed)

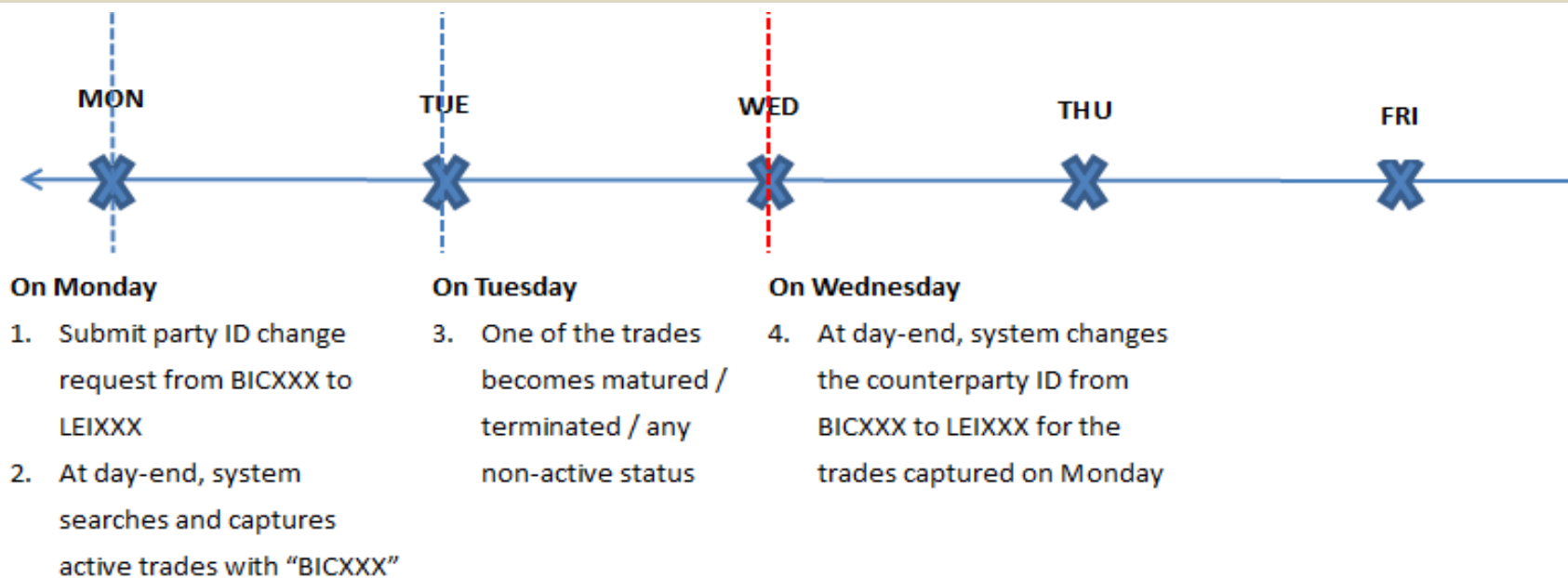
- A. Request (CTRD2506-A)**
- Request Date: Mon
 - Status: Finished
- B. Trade Summary (CTRD2506-B)**
- 100 trades involved
 - Status: 100 Completed

Report (Thu)

- A. Request (CTRD2506-A)**
- Empty
- B. Trade Summary (CTRD2506-B)**
- Empty



8.4.2 Example 2



Report (Mon and Tue)

A. Request (CTRD2506-A)

- Request Date: Mon
- Status: New

B. Trade Summary (CTRD2506-B)

- 100 trades involved
- Status: 100 Pending

Report (Wed)

A. Request (CTRD2506-A)

- Request Date: Mon
- Status: Finished

B. Trade Summary (CTRD2506-B)

- 100 trades involved
- Status: 99 Completed
+ 1 Failed

Report (Thu)

A. Request (CTRD2506-A)

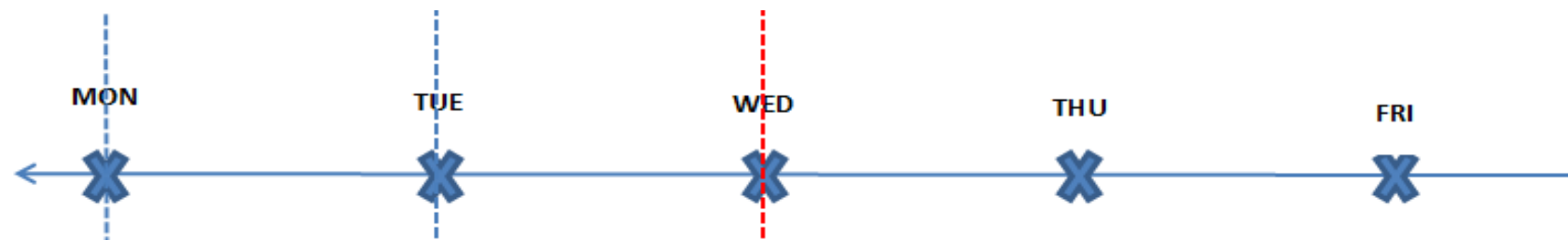
- Empty

B. Trade Summary (CTRD2506-B)

- Empty



8.4.3 Example 3



On Monday

1. Submit party ID change request from BICXXX to LEIXXX
2. At day-end, system searches and captures active trades with "BICXXX"

On Tuesday

3. Submit an Amendment to one of the trades with agreement date as Tuesday

On Wednesday

4. At day-end, system changes the counterparty ID from BICXXX to LEIXXX for the trades captured on Monday

Report (Mon and Tue)

A. Request (CTRD2506-A)

- Request Date: Mon
- Status: New

B. Trade Summary (CTRD2506-B)

- 100 trades involved
- Status: 100 Pending

Report (Wed)

A. Request (CTRD2506-A)

- Request Date: Mon
- Status: Finished

B. Trade Summary (CTRD2506-B)

- 100 trades involved
- Status: 99 Completed
+ 1 Failed

Report (Thu)

A. Request (CTRD2506-A)

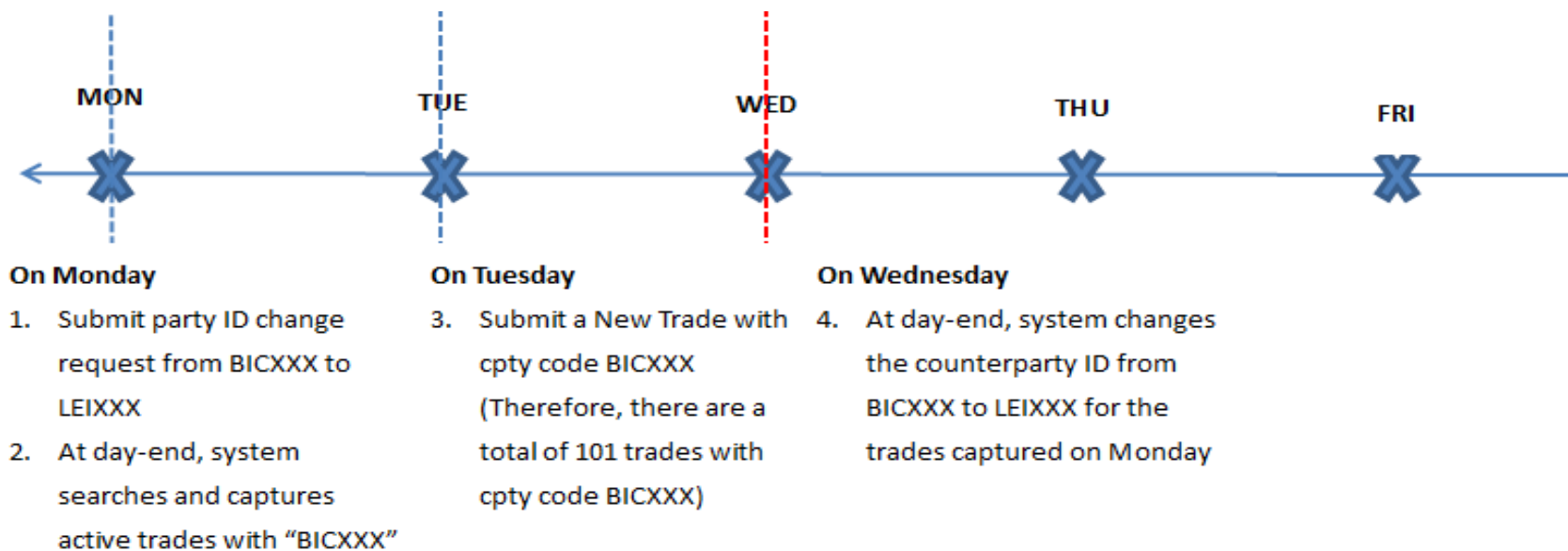
- Empty

B. Trade Summary (CTRD2506-B)

- Empty



8.4.4 Example 4



Report (Mon and Tue)

A. Request (CTRD2506-A)

- Request Date: Mon
- Status: New

B. Trade Summary (CTRD2506-B)

- 100 trades involved
- Status: 100 Pending

Report (Wed)

A. Request (CTRD2506-A)

- Request Date: Mon
- Status: Finished

B. Trade Summary (CTRD2506-B)

- 100 trades involved
- Status: 100 Completed

Report (Thu)

A. Request (CTRD2506-A)

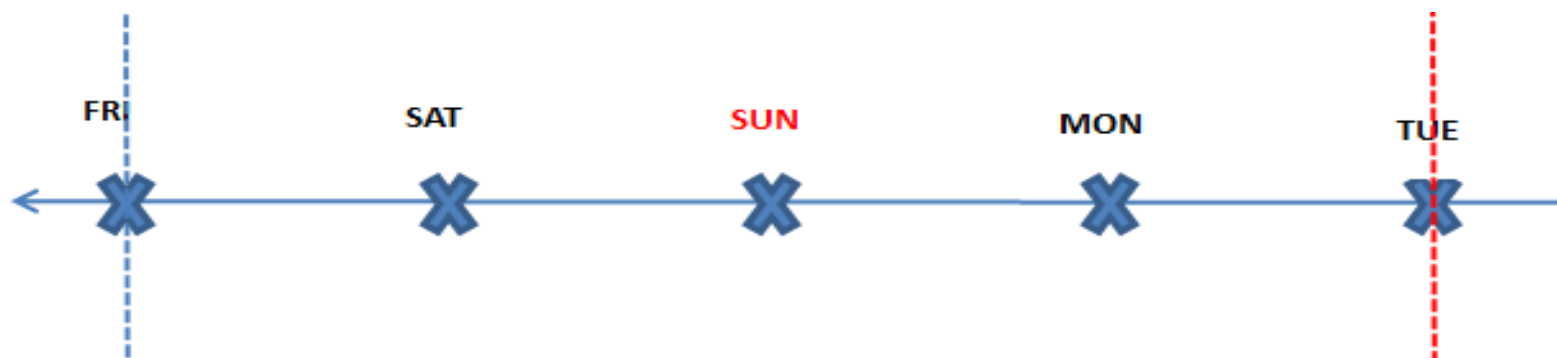
- Empty

B. Trade Summary (CTRD2506-B)

- Empty



8.4.5 Example 5



On Friday

1. Submit party ID change request from BICXXX to LEIXXX
2. At day-end, system searches and captures active trades with "BICXXX"

Report (Fri and Mon)

A. Request (CTRD2506-A)

- Request Date: Fri
- Status: New

B. Trade Summary (CTRD2506-B)

- 100 trades involved
- Status: 100 Pending

On Tuesday

3. At day-end, system changes the counterparty ID from BICXXX to LEIXXX for the trades captured on Friday

Report (Tue)

A. Request (CTRD2506-A)

- Request Date: Fri
- Status: Finished

B. Trade Summary (CTRD2506-B)

- 100 trades involved
- Status: 100 Completed



9. Valuation

- 9.1 Reporting Frequency
- 9.2 Reporting Timeframe
- 9.3 Valuation Request



9.1 Reporting Frequency

- **Daily Submission except** Saturday, Sunday and Hong Kong public holiday
- **Information include**
 - Trade-correlating information
 - MTM valuation date
 - MTM valuation type
 - MTM valuation currency
 - MTM value.

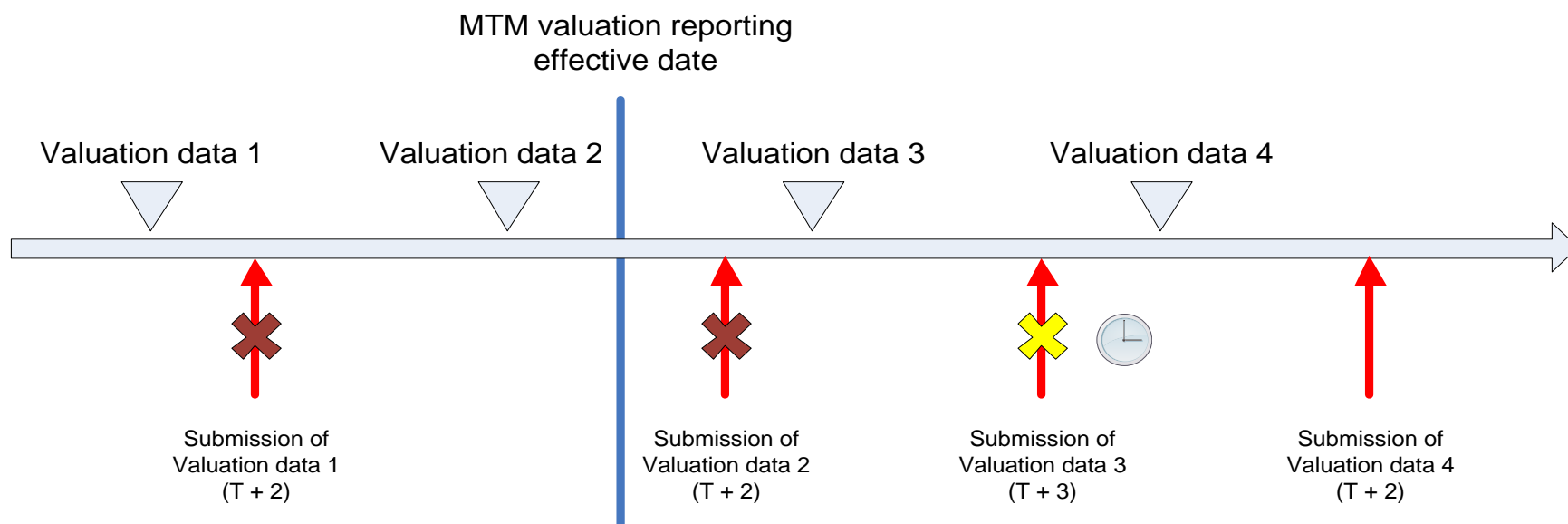


9.2 Reporting Timeframe

- **Report on or before $T + 2$ *business days***
 - T is the valuation date of the MTM valuation
- **The system now supports the MTM valuation reporting**



9.2 Reporting Timeframe





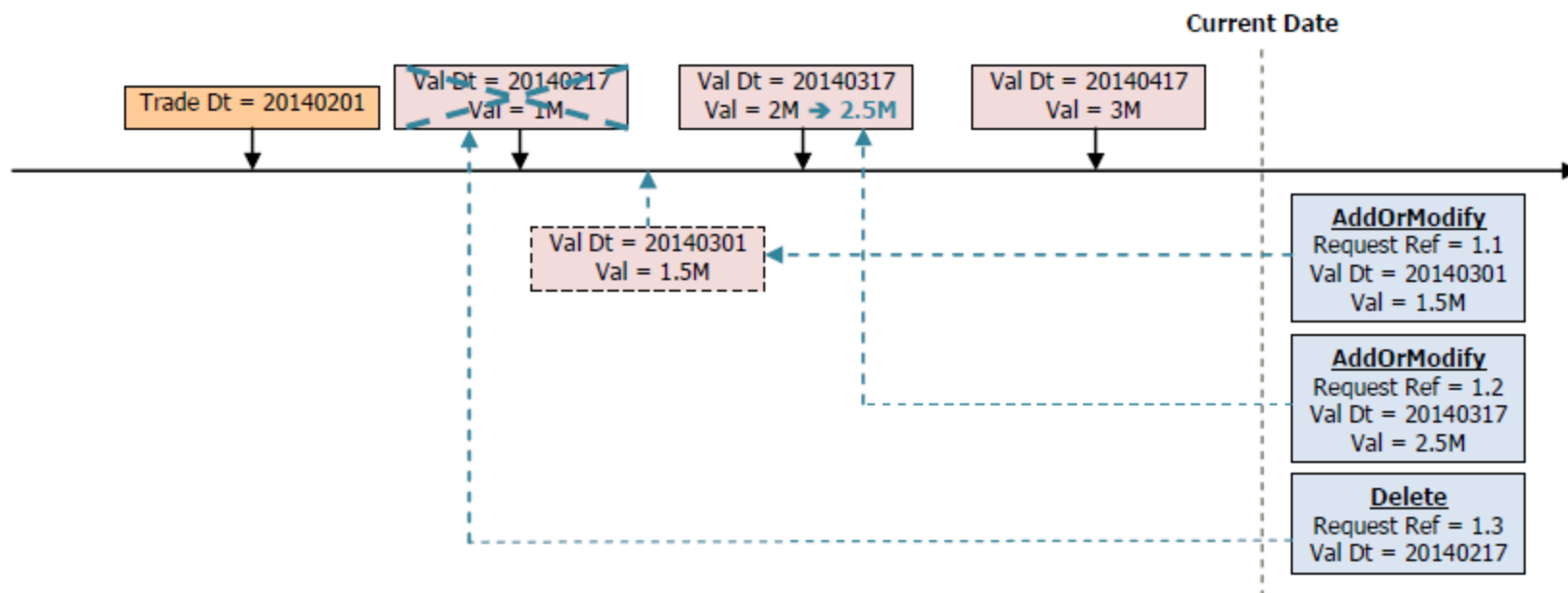
9.3 Valuation Request

- **“AddOrModify” request.** To insert valuation data for a particular valuation date of a particular trade if such data does not exist, or to override the valuation data if such data exists.
- **“Delete” request.** To remove existing valuation data for a particular valuation date of a particular trade.



9.3 Valuation Request

- **Out-of-sequence Valuation Data Reporting.** This allows a valuation data to be submitted even another valuation data with later valuation date has already been submitted





10. System Demonstrations

10.1 Excel Templates

10.2 User Interface and Reports



10.1 Excel Templates

- **Objectives of the Excel templates**
 - To serve as specifications for CSV format trade event request files
 - To facilitate participants input of trade event request and file generation with built-in macros



10.1 Excel Templates

- **Worksheet**

Name	Description	Usage
Introduction	Info and usage of the Excel template	Info
Field Definition - File	The field definition of the file level request	Info
Field Definition - Event	The field definition of the trade event level request	Info
Input Template - File	User input of file level request	Input
Input Template - Event	User input of trade event level requests	Input
Default Value *	Identify and define default values used within this template	Info
Preview	Display preview of request data in the generated CSV file	Output

* Not applicable to some templates



10.1 Excel Templates

- **File structure of a trade event request file**
 - One row of **file level** information
 - One or multiple rows of **trade event request**





10.1 Excel Templates

- **Step by step**

- Enter file level information in the worksheet “Input Template – File”
- Enter details of trade event request in the worksheet “Input Template – Event”
- Press “Preview” button and resolve all warnings
- Press “Generate CSV” button to generate a CSV file which will be located in the same directory
- Submit the CSV file to HKTR



10.2 System Demonstrations

Case 1

- The **normal flow** of trade event reporting between two counterparties using **life cycle approach**

Case 2

- Trade Reporting for Overseas AI using **Participant Uncertain Unlink Report**

Case 3

- **Withdrawal of a wrongly inputted trade**



10.2 System Demonstrations

Case 4

- **Downloading position reports** as of the current moment and a week ago

Case 5

- **Submit Party ID Change Request** from **Registered ID** to another **Registered ID** of the same party

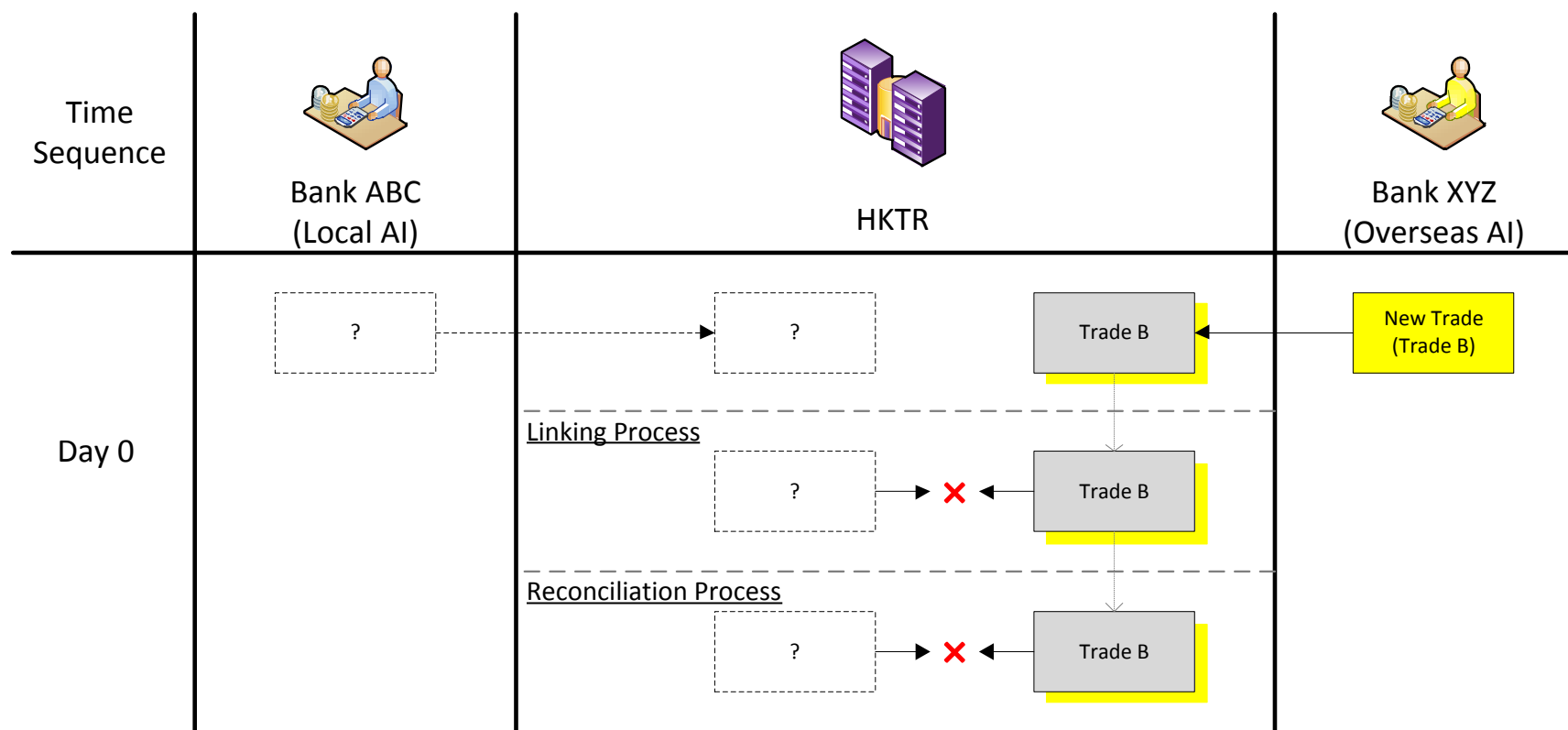
Case 6

- **Submit a valuation request**



10.2.1 System Demo – Case 1 Day 0

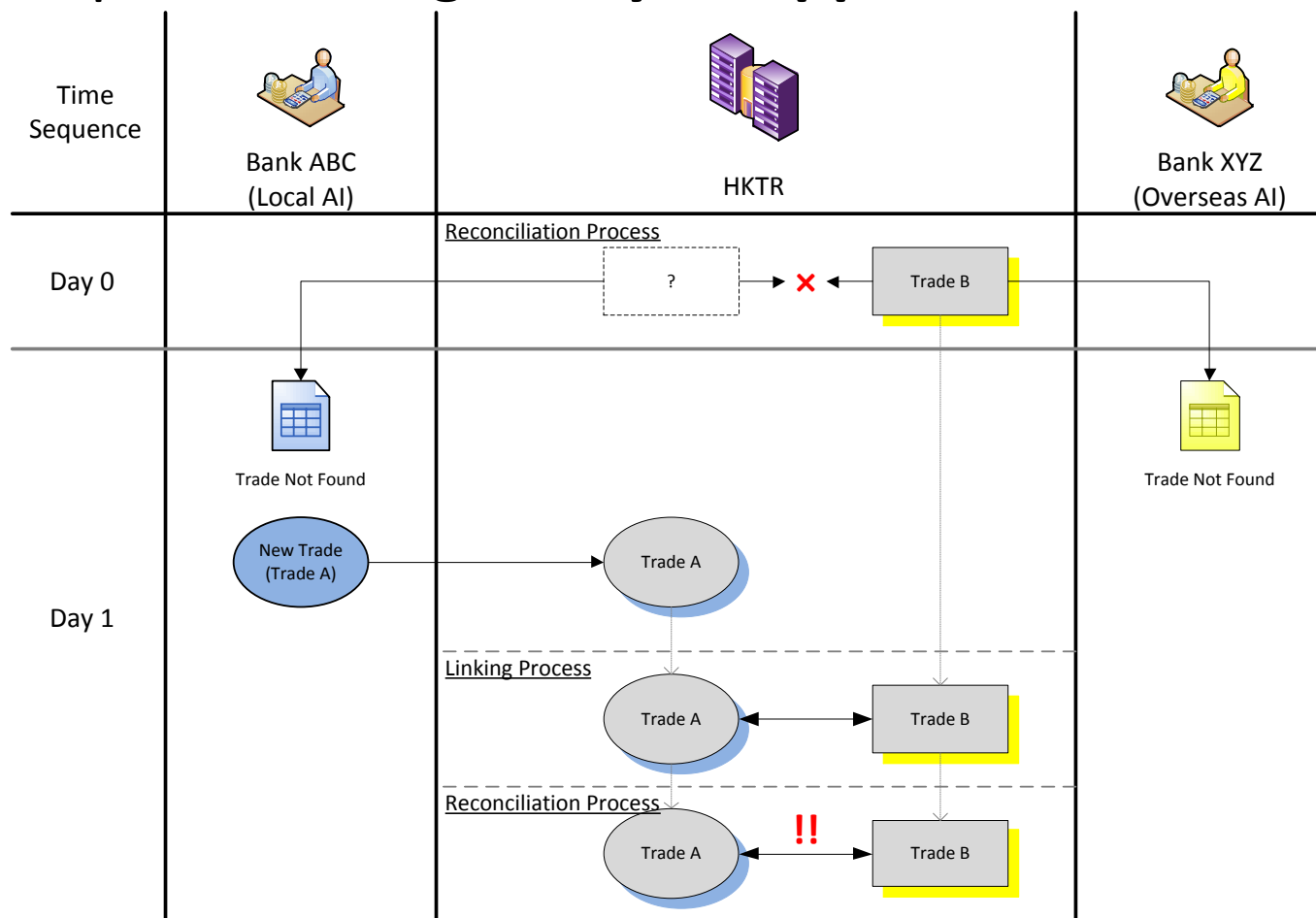
The **normal flow** of trade event reporting between two counterparties using **life cycle approach**





10.2.1 System Demo – Case 1 Day 1

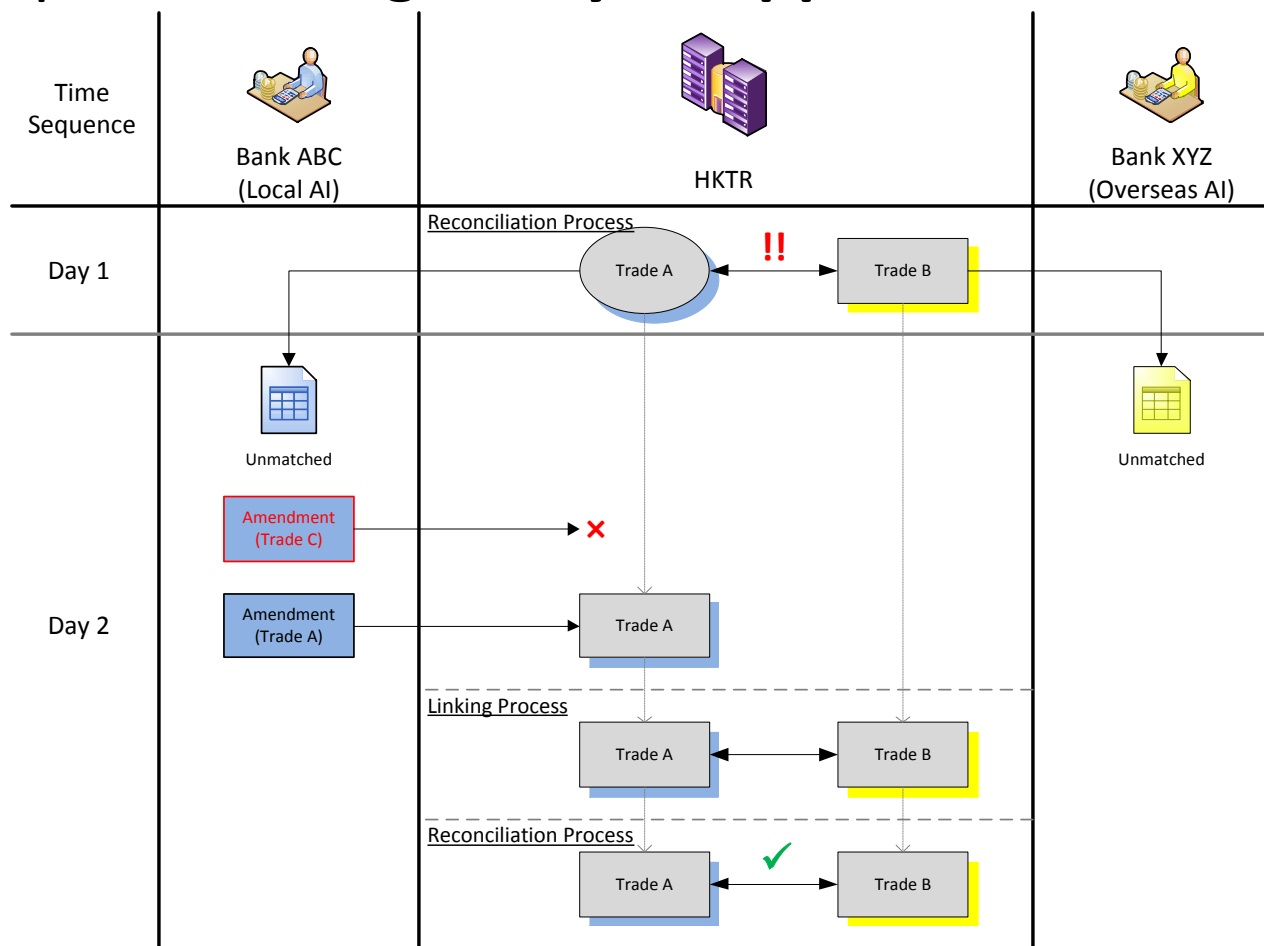
The **normal flow** of trade event reporting between two counterparties using **life cycle approach**





10.2.1 System Demo – Case 1 Day 2

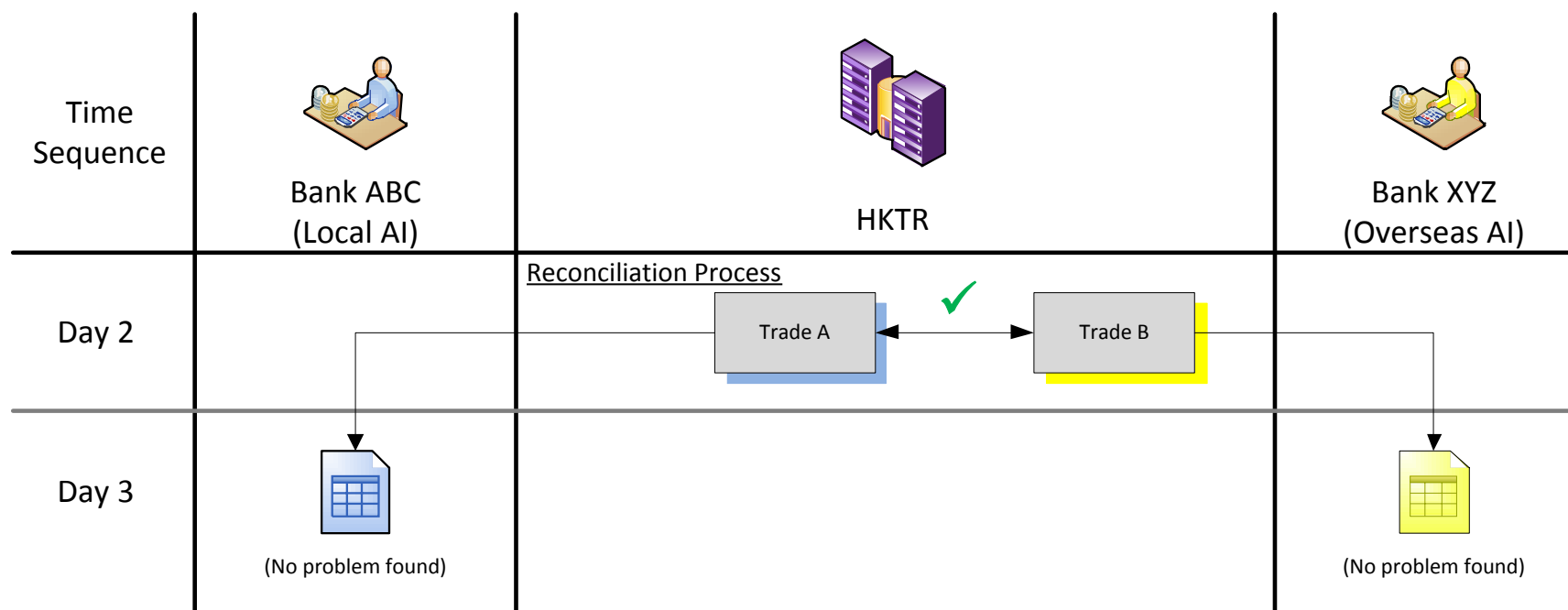
The **normal flow** of trade event reporting between two counterparties using **life cycle approach**





10.2.1 System Demo – Case 1 Day 3

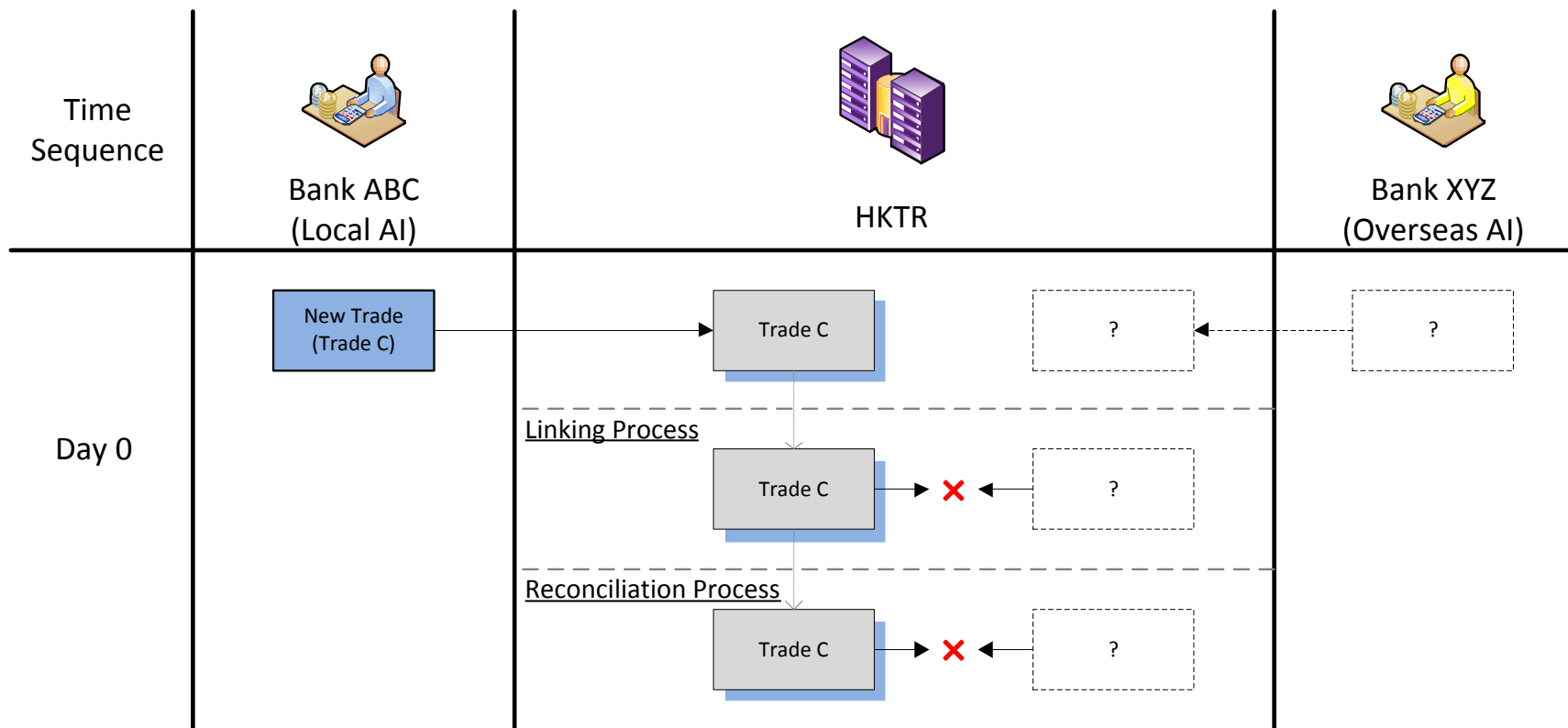
The **normal flow** of trade event reporting between two counterparties using **life cycle approach**





10.2.2 System Demo – Case 2 Day 0

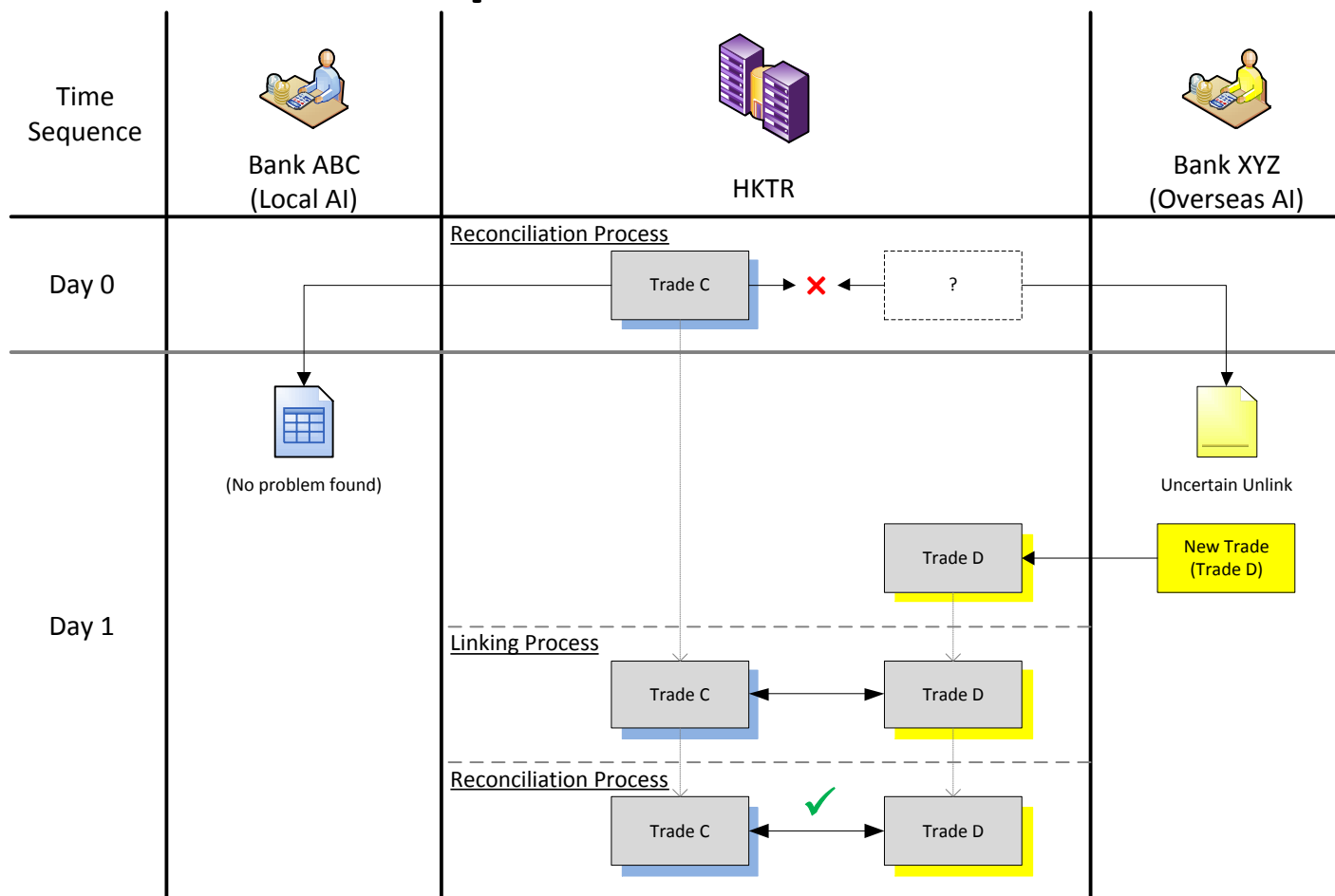
Trade Reporting for Overseas AI using **Participant Uncertain Unlink Report**





10.2.2 System Demo – Case 2 Day 1

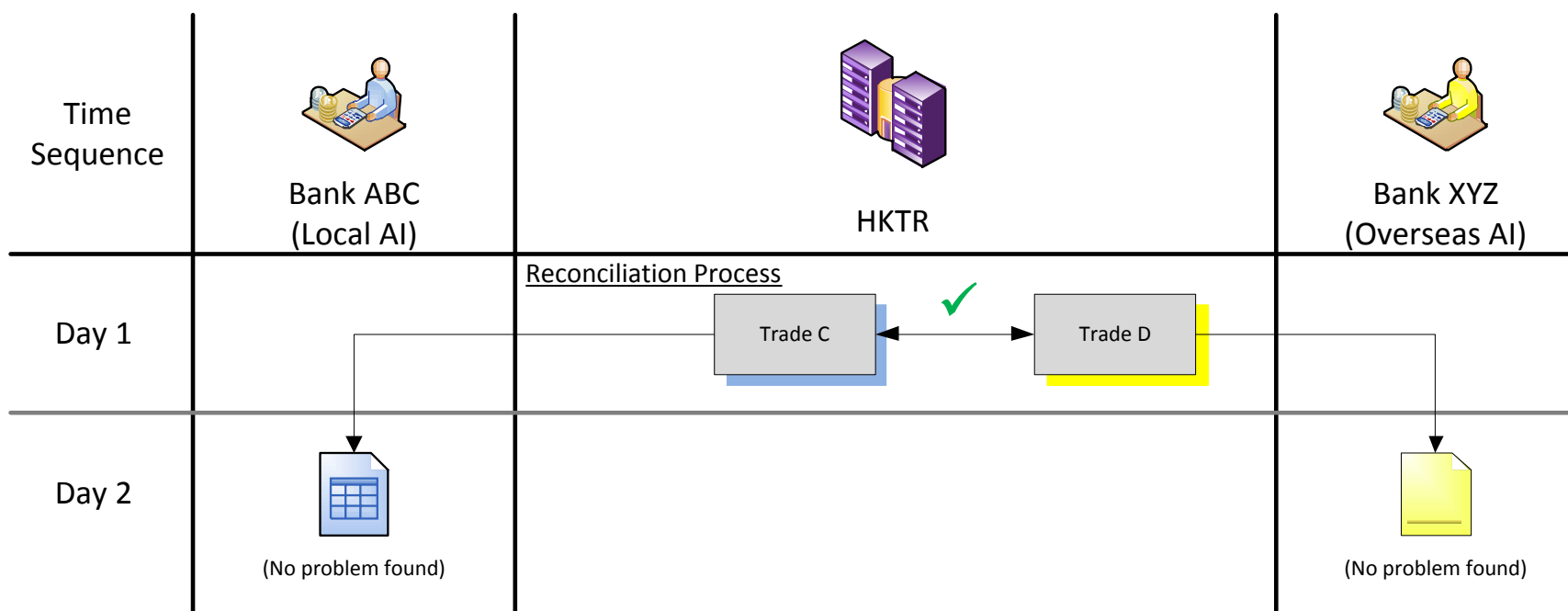
Trade Reporting for Overseas AI using **Participant Uncertain Unlink Report**





10.2.2 System Demo – Case 2 Day 2

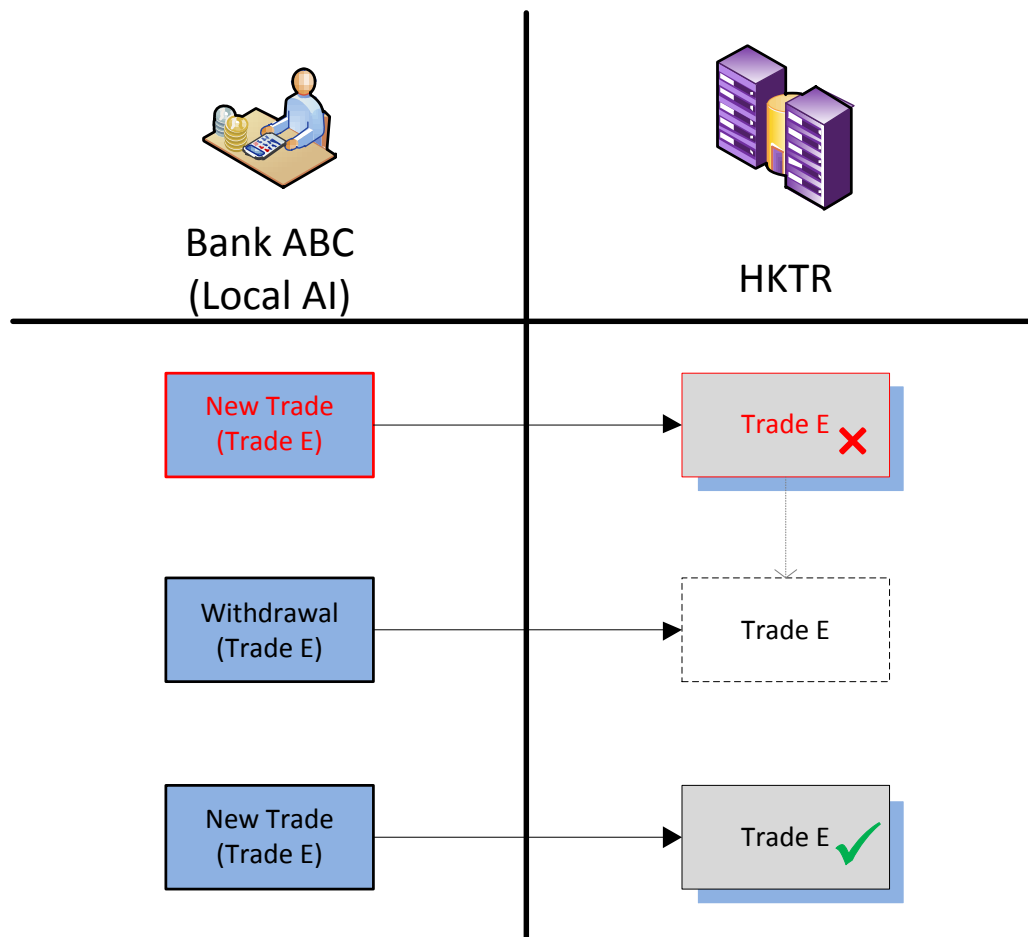
Trade Reporting for Overseas AI using **Participant Uncertain Unlink Report**





10.2.3 System Demo – Case 3

Withdrawal of a wrongly inputted trade





10.2.4 System Demo – Case 4

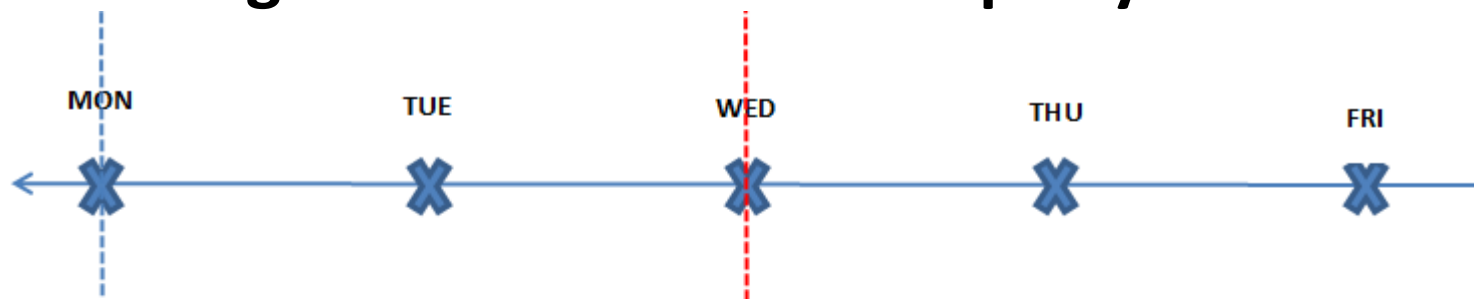
Downloading position reports as of the current moment and a week ago

- **Downloading Reports**
 - Trade Summary List (**Real Time**)
 - CSV
 - Report List (**Specific Past Date**)
 - CSV
 - PDF
 - Participant Trade Reconciliation Discrepancy Report
 - Participant Uncertain Unlink Report



10.2.5 System Demo – Case 5

Submit Party ID Change Request from Registered ID to another Registered ID of the same party



On Monday

1. Submit party ID change request from BICXXX to LEIXXX
2. At day-end, system searches and captures active trades with "BICXXX"

On Wednesday

3. At day-end, system changes the counterparty ID from BICXXX to LEIXXX for the trades captured on Monday

Report (Mon and Tue)

A. Request (CTRD2506-A)

- Request Date: Mon
- Status: New

B. Trade Summary (CTRD2506-B)

- 100 trades involved
- Status: 100 Pending

Report (Wed)

A. Request (CTRD2506-A)

- Request Date: Mon
- Status: Finished

B. Trade Summary (CTRD2506-B)

- 100 trades involved
- Status: 100 Completed

Report (Thu)

A. Request (CTRD2506-A)

- Empty

B. Trade Summary (CTRD2506-B)

- Empty



10.2.6 System Demo – Case 6

- **Submit a valuation request**
 - [New valuation request](#)
- **Valuation request enquiry**
 - To enquire trades reported by the counter reporting party, and also view the MTM valuation data reported by the counter reporting party.
- **System Report**
 - [Participant Valuation Request Report CTRD2701](#)
 - [Participant Missing Valuation Data Report CTRD2702](#)



11. Simulation Test Arrangement

- 11.1 Purpose and Pre-requisite
- 11.2 Simulation Test Structure
- 11.3 Product Selection
- 11.4 Scenario Test
- 11.5 Trade References Format
- 11.6 Product Specific Test
- 11.7 Completion Requirement



11.1 Purpose and Pre-requisite

Purpose

- The Simulation Test provides an opportunity to TR Members to understand the basic functionality of the HKTR system and learn filling submission templates correctly. It is also a requirement in the registration process.

Pre-requisite

- The Simulation Test is only open to TR Members, in order to participate the Simulation Test, a bank must have begun the registration process and have **AT LEAST** returned duly signed Reporting Service Agreements.



11.2 Simulation Test Structure

The Simulation Test is composed of two parts: **(i) Scenario Test** and **(ii) Product Specific Test**.

A participant **MUST** complete both Scenario Test and Product Specific Test in order to complete the Simulation Test.

Section	Description
Scenario Test	The Scenario Test simulates actual business scenarios and through these scenarios, all basic functions of the HKTR will be tested.
Product Specific Test	The Product Specific Test includes simple test cases for participants to test inputting submission templates of all applicable products.



11.2 Simulation Test Structure

- **Part (I) Scenario Test**

1. Select **one** of below products to conduct the Scenario Test.
2. HKMA-TR acts as trade parties to all participants.
3. To be conducted in certain periods set by the HKMA-TR.

Product Selection		
Asset Class	Base Product	Sub Product
Interest Rate Derivatives	Single Currency Interest Rate Swap	Floating vs Fixed
Foreign Exchange Derivatives	Non-Deliverable Forward	
Equity Derivatives	Swap	Price Return Basic Performance



11.2 Simulation Test Structure

- **Part (II) Product Specific Test**
 1. Complete Product Specific Test of all applicable products.
 2. To be conducted following the self-defined schedule.

Product Selection		
IR Floating vs Fixed	FX Forward	CM Forward Fixed Metal
IR Basis Swap	FX Non Deliverable Forward	CM Forward Fixed Bullion
IR Overnight Index Swap	FX Vanilla Option	CM Forward Average Metal
IR Fixed vs Fixed	FX Non Deliverable Option	CM Forward Average Bullion
IR Inflation Swap	FX Other	CM Option Fixed Metal
IR Cross Currency: Floating vs Fixed	CD Index CDX	CM Option Fixed Bullion
IR Cross Currency: Basis Swap	CD Index iTraxx	CM Option Average Metal
IR Cross Currency: Fixed vs Fixed	CD IndexTranche CDX	CM Option Average Bullion
IR CapFloor	CD IndexTranche iTraxx	CM Option OptionOption
IR Forward Rate Agreement	CD SingleName Corporate	CM Swap Fixed vs Floating
IR Swaption	CD SingleName Sovereign	CM Swap Floating vs Floating
IR Other	CD Other	CM Swap Fixed vs Coal
EQ Parameter Return Variance Swap	CM Swap Floating vs Coal	CM Swap Fixed vs Electricity
EQ Price Return Basic Performance Swap	CM Swap Floating vs Electricity	CM Swap Fixed vs Gas
EQ Parameter Return Dividend Swap	CM Swap Floating vs Gas	CM Swap Fixed vs Oil
EQ Price Return Basic Performance Option	CM Swap Floating vs Oil	CM Other
EQ Other		



11.3 Product Selection

- **Example**

Bank A wants to report Basis Swap, CapFloor, FX Vanilla Options and Equity Price Return Basic Performance Option to the HKTR system.

- **Bank A should:**

- Select one of the supported product class to conduct **Part (I) Scenario Test**, and;
- Complete **Part (II) Product Specific Test** with following products:
Interest Rate – Basis Swap, Interest Rate – CapFloor, Foreign Exchange – Vanilla Option and **Equity – Price Return Basic Performance Option**.



11.4 Scenario Test

- **22 Test Cases** to be completed in **5 days**.
- Scenarios are designed **based on actual business activities**.
- Trade Data for each test case are provided.
- **Wrong input** of trade data leads to unexpected result and correction is required.
- **HKMA TR team** checks and verifies the test result.
- All Trade References must follow the **Scenario Test standard format** for HKMA to identify the set of test trades.



11.5 Trade References Format

User Event Reference	TRID_ER_Event Type *_Test Trade #_Test Case#	For example, User Event Reference of Trade 3 of Test Case 10 for YOURTRID001T is: YOURTRID001T_ER_NEW_3_10
User Trade Reference	TRID_TR_Test Trade #	For example, User Trade Reference of Trade 3 for YOURTRID001T is: YOURTRID001T_TR_3
CP Trade Reference	TRID_CP_Test Trade #	For example, CP Trade Reference of Trade 3 for YOURTRID001T is: YOURTRID001T_CP_3
UTI-TID	TRID_TID_Test Trade #	For example, UTI-TID of Trade 5 for YOURTRID001T is: YOURTRID001T_TID_1
UTI	Issuer ID: TRID	For example, UTI of Trade 3 for YOURTRID001T is: Issuer ID: YOURTRID001T UTI Value: UTI_2
	UTI Value: UTI_Test Trade#	
Bilateral Comment	TRID_BC_Test Trade #	For example, Bilateral Comment of Trade 8 for YOURTRID001T is: YOURTRID001T_BC_8

*Codes for all Event Trade: New Trade – **NEW**; Amendment – **AMEND**; Backload – **BLOAD**; Partial Termination – **PTERM**; Full Termination – **FTERM**; Relink – **RELINK**; Withdrawal – **WDRAW**; Quit – **QUIT**; Suppress Uncertain -- **SUPPRESS**

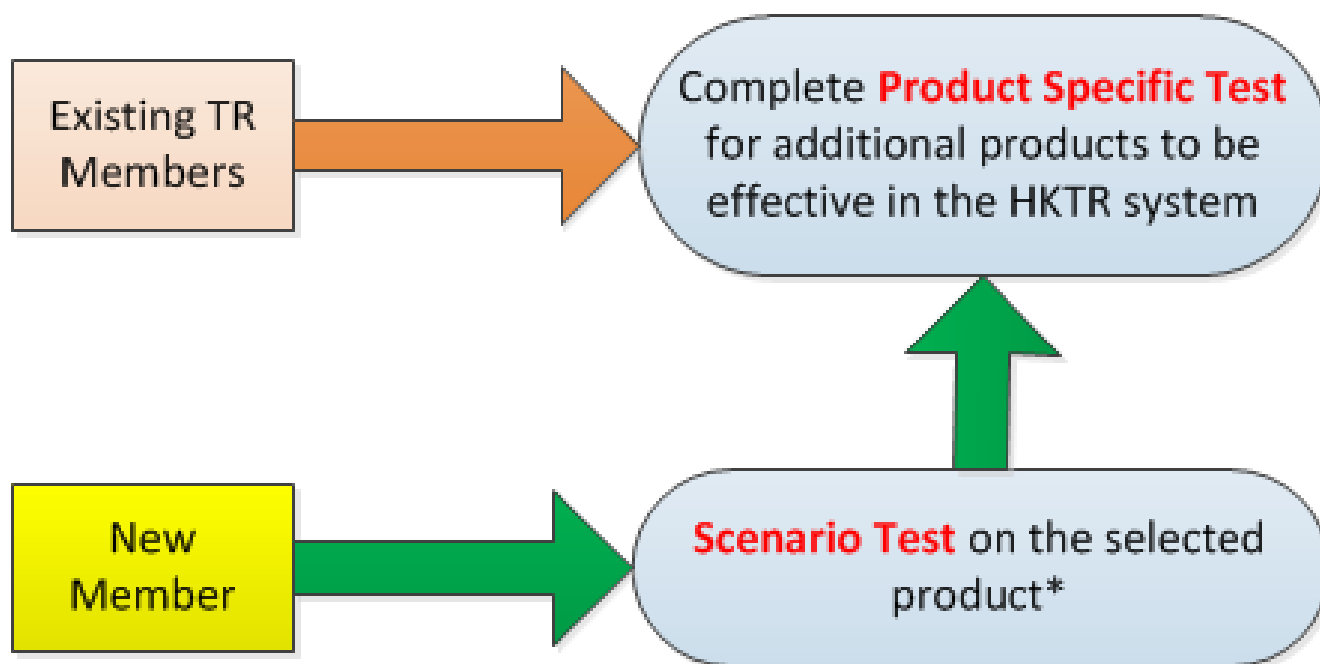


11.6 Product Specific Test

- **Test the ability to fill submission template** correctly.
- No defined **test period** is set.
- **Trade Data** for each base product class are provided.
- **Participants** can verify the result by referring to expected results included in the pack.
- **HKMA TR team** verifies the test result.
- All Trade References must follow the **standard format for Product Specific Test** for HKMA to identify the set of test trades.



11.7 Completion Requirement



*Please contact the HKMA if you can not follow the HKMA pre-defined schedule.

Note: The completion requirement applies for Agent Registration as well.



12. CONTACTS AND Q&A

12.1 Contacts and Enquires

12.2 Q&A



12.1 Contacts and Enquires

- **HKTR service support**
 - HKMA
 - Telephone: (852) 8100 3115
 - Facsimile: (852) 2656 9370
 - Email: hktr@hkma.gov.hk
- **Technical support on accessing HKTR**
 - HKICL
 - Telephone: (852) 2533 1100
 - Facsimile: (852) 2533 1123
 - Email: hkicl@hkicl.com.hk



12.1 Contacts and Enquires

- **Regulatory requirements under the OTC derivatives regime**
 - For **Authorized Institutions** (AIs), please contact the HKMA Banking Policy Department.
 - Phone: (852) 2878 1279
 - Email: bpd_otc@hkma.gov.hk
 - For **Approved Money Brokers** (AMBs), please contact the HKMA Payment Systems Oversight and Licensing Division
 - Phone: (852) 2878 1470
 - Email: ivan_yy_lam@hkma.gov.hk
 - For **Licensed Corporations** (LCs) and **other entities**, please contact the SFC Supervision of Markets Division
 - Phone: (852) 2231 1788
 - Email: otc_enquiries@sfc.hk



12.2 Q&A

- **For any questions you may have**
 - Our team members around the room are pleased to meet and discuss with you face-to-face
 - You are welcome at anytime to send your questions to us through emails



End of User Training
Thank you!

OTC Derivatives Trade Repository Reporting Service