



HONG KONG MONETARY AUTHORITY
香港金融管理局

4 July 2014

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

OTC Derivatives Trade Repository of the HKMA
Testing arrangement for the New Phase of System Implementation

You may recall that the HKMA issued on 31 March 2014 a circular on New Phase of System Implementation and Refinements to Reporting Procedures for the over-the-counter (OTC) derivatives trade repository (TR) of the HKMA (HKTR). Under the new phase of the HKTR system to be launched in September 2014, a batch of fifteen new products will be added and certain updated reporting standards will start to apply.

Since the new phase in September 2014 does not involve the introduction of any new workflow to the reporting process, no guided simulation test will be arranged for the phase. However, updated training videos showing the application of certain existing workflows to the new products will be made available on the HKTR website (<https://hktr.hkma.gov.hk/>) from 1 September 2014 for TR members' reference. TR members who have started reporting (who must have already completed a guided simulation test in the past) are prescribed to test, applying the existing workflows, the new products and the updated standards before they start reporting on the new products and based on the updated standards. A testing environment for the new products and updated standards will be made available from 1 September 2014 to facilitate TR members to conduct the relevant tests themselves. For the avoidance of doubt, TR members are required to lodge a readiness declaration form with the HKTR in respect of the new products before they can start reporting transactions in them.

Please be reminded that the new products to be added to the HKTR system in September 2014 will not come under the local mandatory reporting requirements at


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8 Finance Street, Central, Hong Kong
Website: www.hkma.gov.hk

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the same time. In respect of the updated reporting standards, a TR member may continue to use the existing standards if the member does not need to make use of the added/modified features in the updated standards to fulfill its reporting obligation, e.g. the field type and length, and other pre-set parameters of the existing standards can still accommodate the reportable transactions of the member. Nevertheless, as the existing standards are expected to be phased out eventually, TR members are encouraged to study and plan for the adoption of the updated standards as soon as possible. The HKTR will notify TR members well in advance the schedule for phasing out the existing standards.

If there are any questions, please contact the HKTR at (852) 8100 3115 or e-mail to hktr@hkma.gov.hk

Yours faithfully,



(Colin Pou)

Head, Payment Systems Operation Division
Financial Infrastructure Department

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

Encl.