



30 April 2013

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Service Agreement for the Reporting Service of HKMA Trade Repository

You may recall that the Hong Kong Monetary Authority (HKMA) issued in December 2012 an implementation schedule and the technical specifications for the reporting service for over-the-counter (OTC) derivatives (Reporting Service) to be offered by the trade repository (TR) of the HKMA. The HKMA is intending to launch the Reporting Service by July 2013 in accordance with the schedule.

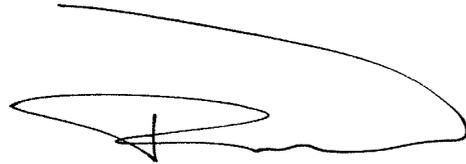
Users of the Reporting Service have to enter into a contractual agreement with the HKMA, the Reporting Service Agreement (Agreement). Enclosed with this letter is a copy of the Agreement. Also enclosed is a revised reference manual for the scope and enrolment procedures of the Reporting Service, which has been updated mainly to align with the terms and conditions in the Agreement. User manuals and the relevant training materials for the Reporting Service will be provided to users after they have executed the Agreement and enrolled in the Service.

You may be aware that the HKMA consulted the banking industry in March 2013 on implementing an Interim Reporting Arrangement to require licensed banks to report OTC derivatives transactions to the TR of the HKMA before the Securities and Futures Ordinance (SFO) can be amended to mandate TR reporting. Subject to the finalized scope and schedule of the Interim Reporting Arrangement, the HKMA will issue testing plans to help enrolled users get ready for the implementation of the Arrangement. It is also anticipated that the technical specifications for the Reporting Service may be refined to reflect the conclusions of the consultation.

Entities that may be subject to mandatory reporting requirements under the Interim Reporting Arrangement and/or the to-be-amended SFO are reminded to arrange for the execution of the Reporting Service Agreement with the HKMA, completion of the relevant enrolment procedures, and effecting the relevant technical and logistical arrangements in time so that they can meet the relevant mandatory reporting requirements.

For enquiries on the execution of the Agreement and the enrolment procedures, please call the hotline of the TR of the HKMA at 8100 3115 or send your e-mail to hktr@hkma.gov.hk.

Yours faithfully,

A handwritten signature in black ink, consisting of a large, sweeping loop at the top, followed by a smaller loop and a horizontal line with a vertical stroke through it.

(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.