



Treasury Markets Association

Working Group on OTC Derivatives Market

Subgroup on Trade Repository

Technical readiness for reporting to HKTR

Phase 2 Reporting

19 April 2017



Recap on registration and onboarding – New member

- Complete TR Membership Application forms
- Sign and return Reporting Service Agreement
- Apply SSL client certificate or subscribe SWIFTNet Browse services to setup direct submission channel and access other UI functions
- Setup other straight-through processing submission channel if necessary
- Complete **a scenario test and a product specific test** (simulation test – part 1 and part 2) with satisfactory result
- Sign and return the readiness declaration form



Reporting via Agent – New member

- Institutions intending to start reporting to the HKTR via an agent must nominate the agent and conduct **the testing with agent** in time
- (AI only) Reporting via an agent may constitute an outsourcing arrangement requiring prior approval of the HKMA, please contact the usual supervisory contacts at the HKMA
- Institutions intending to submit through an agent should review whether any of their transactions are not supported by the agent, and therefore will be required to be reported directly to the HKTR



Reporting additional products directly – Existing member

- For the existing members who had completed a scenario test under Interim reporting requirement or Phase 1 mandatory reporting requirement, they are required to
 - Complete **a product specific test** for reporting additional OTC derivatives products under the Phase 2 mandatory reporting requirement with satisfactory result
 - Sign and return the readiness declaration form



Reporting via Agent – Existing member (1)

- For the existing members who had nominated the agent, they should
 - Review whether any of their transactions are not supported by the agent, and therefore will be required to be reported directly to the HKTR
 - Complete and return Agent Profile Maintenance form by TR Member and agent to reflect the latest status
 - Ensure agent makes all necessary arrangement to report to the HKTR



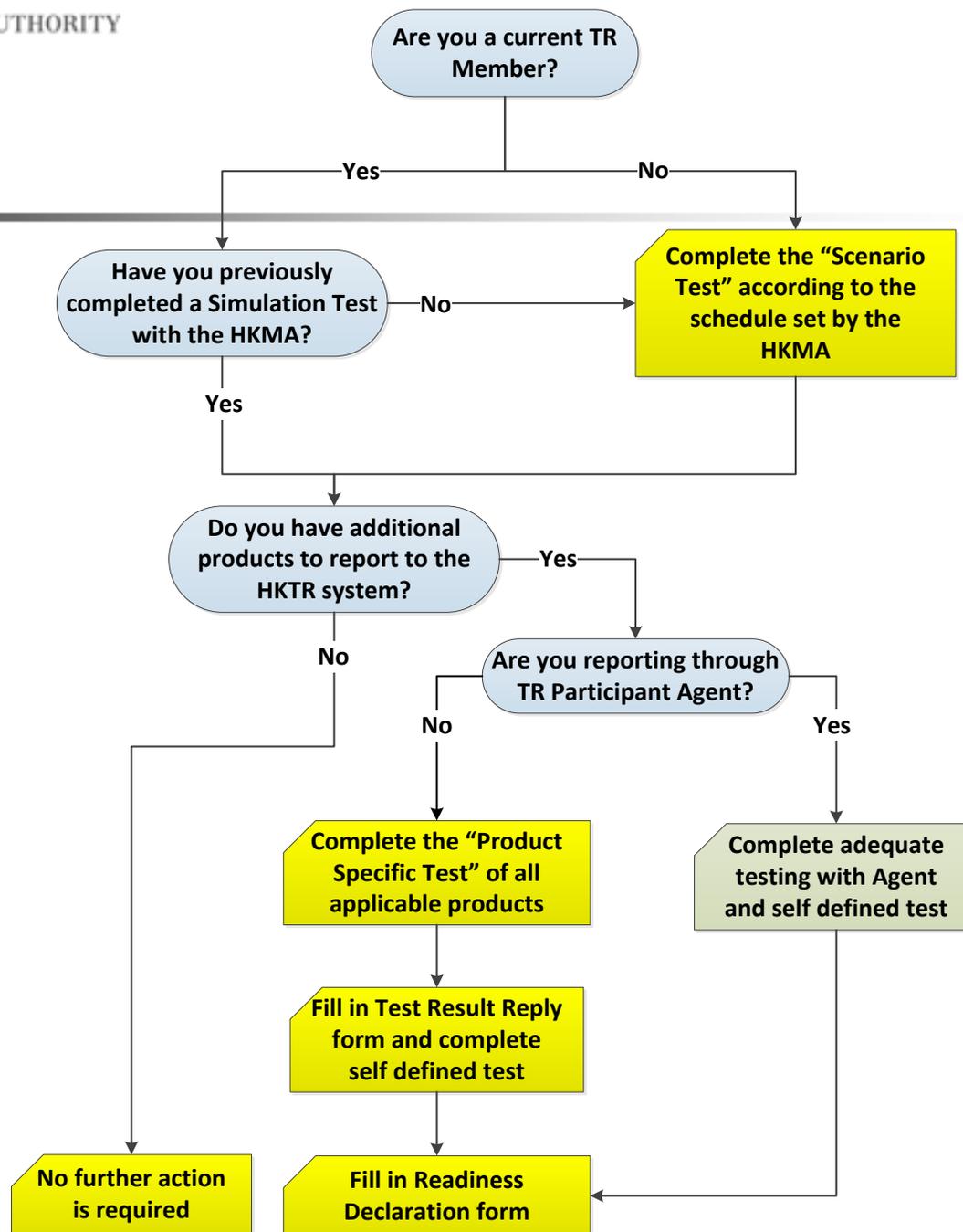
Reporting via Agent – Existing member (2)

- Conduct comprehensive testing in compliance with HKTR's requirement within the timeframe set by the HKTR
- Conduct adequate due diligence on the agent's business continuity and other back-up arrangements
- Consider to complete a product specific test (i.e. part 2 of simulation test), in particular for those entities who have decided to perform direct reporting as contingency plan
- Sign and return the readiness declaration form



TR member training and testing

- To support entities subject to the phase 2 reporting requirements to meet the reporting deadline, the HKTR issued a circular on 27 Jan 2017 to set out the training and testing schedule up to May 2017:
 - Training sessions: 22 Feb / 3 Mar / 4 May
 - Scenario tests: 13 - 17 Mar / 22 - 26 May
- New members are required to complete a scenario test and a product specific test on or before 31 May 2017





Key Areas to Observe for Readiness

- (1) System Connectivity
 - Ensure Files/ Report can be accepted by HKTR
- (2) File Formats / Reporting Templates
 - Ensure right file formats is used (e.g. FpML & CSV file for standard templates, CSV file only for other templates)
- (3) Mandatory Data Field Requirements
 - Ensure all the mandatory data fields stated in AIDG, Gazette Notice and SRI are incorporated



Key Areas to Observe for Readiness

- (4) Backloading Arrangement
 - Inform the HKTR the outstanding volume for backload
 - Arrange backloading exercise with HKTR
 - Backloading in batches maybe required by HKTR



Appendix

DTCC readiness timeline for Phase 2 reporting

<i>Time Periods</i>	<i>Key Milestones</i>
10 March - 10 April	Testing between DTCC and Reporting Firms
10 April – End of May	End-to-End testing from Reporting Firms - DTCC- HKTR
End of May	DTCC and its member firm have all the end-to-end testing completed
16 - 18 June	DTCC Backloading Arrangement <ul style="list-style-type: none">• Phase 1 Product• Phase 2 Product



Thank you