

Supplementary Reporting Instructions

For Reporting

Over-The-Counter (OTC) Derivative Transactions
under the Hong Kong OTC Derivative Regulatory Regime

To take effect from 29 September 2025 (version 1.0)

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Introduction

1. This document supersedes the previously issued Supplementary Reporting Instructions for OTC Derivative Transactions (SRI) published in June 2022, aiming to provide a summary of the general requirements for reporting transactions to the HKTR (including clarification of important concepts) and specific instructions for reporting particular types of transactions under different circumstances. As an annex to the *Administration and Interface Development Guide* (AIDG), this document forms part of the set of HKTR reporting manuals which comprise three documents, i.e. the AIDG, the *OTC Derivatives Trade Repository Reporting Service Reference Manual* and the *Operating Procedures for Hong Kong Trade Repository Reporting Service – User Manual for Participants*. It is important to read this document in conjunction with the parts of the Securities and Futures Ordinance (SFO) relating to the mandatory reporting of OTC derivative transactions, the Reporting Rules and the HKTR reporting manuals stated above.

Section A - Abbreviations and glossary

2. Unless the context otherwise requires, terms defined in Schedule 1 to the SFO or in the Reporting Rules bear the same meaning when used in the instructions, and the following terms bear the following meanings:
 - **“Approved money broker” (AMB)** – has the meaning assigned to it under section 2 of the Banking Ordinance (BO);
 - **“Authorized institution” (AI)** – has the meaning assigned to it under section 2 of the BO;
 - **“ATS-CCP”** – means a person authorized under section 95(2) of the SFO to provide automated trading services, but only when the person is (a) providing services that it is authorized to provide; and (b) acting in its capacity as a central counterparty;
 - **“BO”** – refers to the Banking Ordinance (Chapter 155, Laws of Hong Kong);

- **“CCP”** – means a central counterparty;
- **“HKMA”** – means the Hong Kong Monetary Authority
- **“HKTR”** – means the trade repository operated by or on behalf of the HKMA for submitting and receiving reports on specified OTC derivative transactions for the purposes of the Reporting Rules and section 101B of the SFO;
- **“Licensed corporation” (LC)** – has the meaning assigned to it under the SFO;
- **“Recognized clearing house” (RCH)** – means a person that is a recognized clearing house, but only when the person is acting in its capacity as a central counterparty;
- **“Reporting Rules”** – means the Securities and Futures (OTC Derivative Transactions – Reporting and Record Keeping Obligations) Rules after reflecting the amendments per the Securities and Futures (OTC Derivative Transactions – Reporting and Record Keeping Obligations) (Amendment) Rules 2016;
- **“SFC”** – means the Securities and Futures Commission;
- **“SFO”** – refers to the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Section B - General instructions

3. This section highlights general requirements for reporting transactions to the HKTR. To enhance the data quality of the HKTR, requirements in this document should also be applicable to transactions reported to the HKTR voluntarily, unless specified otherwise.
4. A report to the HKTR must be compiled in accordance with the instructions given in the HKTR reporting manuals mentioned in paragraph 1.
5. Where the reporting obligation applies, under the Reporting Rules, (i)

transactions outstanding at the time when the Reporting Rules commenced; (ii) new transactions; (iii) subsequent events; (iv) valuation information; and (v) margin and collateral information in relation to the transactions, are reportable. For avoidance of doubt, only trade level reporting is required for Hong Kong. Position level reporting is not applicable.

6. The highlights of the technical reporting requirements in this section are not exhaustive. Therefore it is important that a reporting entity must also read the HKTR reporting manuals mentioned in paragraph 1 carefully before compiling a report to the HKTR.
7. The HKTR will announce special treatments to deal with the reporting of an event where a system modification is expected. An event in paragraph 12(ii) below is an example. HKTR will announce when it will start to accept reports of data compiled according to the new industry standards. It can also generally be expected that a grace period for reporting data according to the new standards (including amendment of existing data in the HKTR database) will be provided.

B.1 Reporting on T+2 basis

8. Save for the backloading of historical outstanding transactions during the grace periods provided for in the Reporting Rules or special arrangements announced by the HKTR, the reporting obligation must be fulfilled within two business days of the trading day, or the day of a subsequent event (i.e. on a T+2 basis). Valuation information and margin and collateral information also need to be submitted on a T+2 basis. For the avoidance of doubt, for CCP trades, the reporting obligation must be fulfilled within two business days after the trade is accepted by the CCP for clearing.
9. Subsequent changes to the mandatory fields of a transaction that has been reported to the HKTR should be reported to the HKTR on a T+2 basis after the changes take place.
10. A gale warning day or a black rainstorm warning day, as defined in section 71(2) of the Interpretation and General Clauses Ordinance (Cap 1), will not be counted as a business day under the T+2 reporting requirement. A gale warning or black

rainstorm warning happening on the trading date only but not the two days immediately following the trading date should not affect the normal timing for reporting under the T+2 basis.

B.2 Subsequent events

11. “Subsequent event” is defined to cover any event which occurs after the transaction was entered into that affects the terms or conditions on which the transaction was entered into or the persons involved in entering into the transaction. In brief, it includes any happening that affects the key economic terms of the transactions reported to the HKTR. Key economic terms of a transaction are stated in the column under the title “Reporting Requirement” in the AIDG.
12. The events that are regarded as subsequent events are as follows:
 - (i) Subject to paragraph 13, agreement between the contracting parties to modify the key economic terms (e.g. floating rate in relation to an interest rate swap, notional amount etc.) of the transaction;
 - (ii) change in key economic terms due to change in industry standards (e.g. the currency code of a foreign currency being replaced by a new one);
 - (iii) termination of the transaction before maturity for any reasons (e.g. central clearing); and
 - (iv) any other events that may be specified by the HKTR.
13. Subsequent event does not include:
 - the reaching of the contractual maturity of a transaction;
 - for interest rate derivatives, the fixing of the floating interest rate during the life of the transaction; and
 - changes occurred according to a predetermined contracted schedule, which should be reported to the HKTR with the steps outlined in paragraphs 26-27 to facilitate regulatory monitoring, even if the predetermined contracted schedule has been reported to the HKTR.

14. An institution may take actions to bring an intended effect to an OTC derivative transaction. The institution should consider each event that occurs in the course of such actions individually to determine whether an event is reportable. For example, it is a common industry practice for an institution to “novate” a transaction when seeking to change its counterparty in respect of the transaction from one entity to another.

B.3 Novation

15. “Novation” typically involves termination of the existing transaction and creation of a new transaction with another counterparty. The termination of the existing transaction reported to the HKTR is a reportable event as discussed in paragraph 12(iii) above. The new transaction (though not a subsequent event) is also reportable under the Reporting Rules as mentioned in paragraph 5. The reporting of novation transactions should involve both i) the termination of the existing trade already reported to the HKTR, which should be submitted by both the remaining party and the step-out party and ii) the submission of a new trade reflecting the new counterparty information of the novated trade, which should be done by both the remaining party and the step-in party. Please refer to paragraphs 94-95 on the treatment for reporting novation transactions.

B.4 Action/Event type combination

16. Submissions to the HKTR must be populated with the suitable Action/Event type in the data fields “Action Type” and “Event Type”. There are different Action/Event type combinations for different reporting purposes (e.g. reporting new transactions or subsequent events, re-reporting legacy trades, making amendments and reporting valuation information). A list summarising all the allowable Action/Event type combination for each message type is set out in Appendix B of the latest version of AIDG.
17. The table below provides examples of the use case of various Action/Event type combination.

| Action Type | Event Type | General Usage | Example Scenarios |
|-------------|------------|---|--|
| NEWT | TRAD | The creation of the first transaction resulting in the generation of a new UTI, other than trades reported with prior events. | Resubmission of trade when replacing the interim UTI (please refer to consultation conclusions paragraph 70) Correcting non-amendable fields (please refer to SRI section C.10 para 84) |
| NEWT | NOVA | The creation of the first transaction resulting in the generation of a new UTI, arising from a novation/step-in event. | Reporting a new trade due to novation event for the remaining party and step-in party |
| NEWT | COMP | The creation of the first transaction resulting in the generation of a new UTI, arising from a compression event. | Reporting a post-compression new trade |
| NEWT | CLRG | The creation of the first transaction resulting in the generation of a new UTI, arising from a clearing event. | Re-clearing a new trade (please refer to SRI section C.6) |
| NEWT | EXER | The creation of the first transaction resulting in the generation of a new UTI, arising from an exercise event. | |
| NEWT | ALOC | The creation of the first transaction resulting in the generation of a new UTI, arising from an allocation event. | Resubmission of trade due to fund allocation (please refer to SRI section C.11) |
| NEWT | CLAL | The creation of the first transaction resulting in the generation of a new UTI, arising from a clearing and allocation event. | |

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|------|------|---|---|
| NEWT | PTNG | The creation of the first transaction resulting in the generation of a new UTI, arising from a transfer event. | Reporting a new trade following a transfer-out from a previous agent |
| NEWT | CORP | The creation of the first transaction resulting in the generation of a new UTI, arising from a corporate event. | |
| NEWT | UPDT | The creation of the first transaction resulting in the generation of a new UTI, arising from an update event. | Re-reporting legacy trades into the new ISO template (please refer to SRI section B.5 paragraph 21) |
| MODI | TRAD | A modification of the terms of a previously reported transaction due to a newly negotiated modification (amendment) or a filling in previously not available missing information (e.g. post price transaction). | Reporting the subsequently known notional amount and currency of IRS Cross Currency Resettable swaps. (please refer to SRI section D.4.2) Reporting change in buyer/seller (please refer to SRI section D.3.8) |
| MODI | NOVA | Outstanding transaction with an existing UTI is modified, arising from a novation/Step-in event. | Reduction of notional due to novation event for the remaining and step-out party |
| MODI | COMP | Outstanding transaction with an existing UTI is modified, arising from a compression event. | Reporting a value of zero notional followed by reporting termination as a result of compression exercise |

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|------|-----------------|--|---|
| MODI | ETRM | Outstanding transaction with an existing UTI is modified, arising from an early termination event. | Partial termination / reduction of notional (please refer to SRI section C.8) |
| MODI | EXER | Outstanding transaction with an existing UTI is modified, arising from an exercise event of an option or swaption. | |
| MODI | ALOC | Outstanding transaction with an existing UTI is modified, arising from an allocation event. | |
| MODI | CREV | Outstanding transaction with an existing UTI is modified, arising from a credit event. | |
| MODI | CORP | Outstanding transaction with an existing UTI is modified, arising from a corporate event. | |
| MODI | UPDT | Outstanding transaction with an existing UTI is modified, arising from an update event. | Reporting accumulative updates in the end-of-day snapshot (please refer to SRI section C.13) |
| MODI | <no event type> | Outstanding transaction with an existing UTI is modified, arising from an event not listed above. | (a) Adding/removing a transaction to/from a collateral portfolio (b) A change of a portfolio code (c) Other administrative not economic changes |
| TERM | NOVA | Outstanding transaction with an existing UTI is fully terminated, arising from a novation/step-in event. | Termination of trade due to novation events for the remaining and step-out party |

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|------|------|---|--|
| | | | (please refer to SRI section C.12) |
| TERM | COMP | Outstanding transaction with an existing UTI is fully terminated, arising from a compression event. | Reporting termination as a result of compression exercise following reporting a value of zero notional |
| TERM | ETRM | Outstanding transaction with an existing UTI is fully terminated, arising from an early termination event. | Termination of trade prior to its expiration date (please refer to SRI section C.8) |
| TERM | CLRG | Outstanding transaction with an existing UTI is fully terminated, arising from a clearing event. | Declearing the original transaction (please refer to SRI section C.6) |
| TERM | EXER | Outstanding transaction with an existing UTI is fully terminated, arising from an exercise event. | |
| TERM | ALOC | Outstanding transaction with an existing UTI is fully terminated, arising from an allocation event. | Termination of trade due to fund allocation (please refer to SRI section C.11) |
| TERM | CREV | Outstanding transaction with an existing UTI is fully terminated, arising from a credit event. | |
| TERM | CLAL | Outstanding transaction with an existing UTI is fully terminated, arising from a clearing and allocation event. | |
| TERM | CORP | Outstanding transaction with an existing UTI is fully terminated, arising from a corporate event. | |

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|------|-----------------|---|--|
| EROR | <no event type> | A cancellation of a wrongly submitted transaction. | (a) Cancelling the old trade when replacing the interim UTI (please refer to consultation conclusions paragraph 23) (b) Cancelling the incorrect trade when updating / correcting non-amendable fields |
| REVI | <no event type> | Reinstatement of an outstanding transaction that was reported with “Action Type” “Error” or terminated by mistake or expired due to an incorrectly reported expiration date. | |
| PRTO | PTNG | A transfer of an outstanding transaction from one reporting agent to another reporting agent (change of reporting agent) or other administration reason such as to stop a reporting agent from further accessing the subsequent trade action of a particular trade. | Reporting a transfer-out from a previous agent followed by resubmission of trade (1) Ceasing to report subsequent events on a voluntary basis, OR (2) an affiliate of an AI/LC/AMB giving up the reporting obligation subsequently being taken over by the AI/LC/AMB (please refer to SRI section C.7) |
| VALU | <no event type> | An update of a valuation of a transaction. | |

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|------|-----------------|---|---|
| MARU | <no event type> | An update to collateral margin data. | |
| CORR | <no event type> | Outstanding transaction with an existing UTI is updated to correct erroneous data of a previously reported transaction. | Correcting amendable fields (please refer to SRI section C.10) |

B.5 Re-reporting of live legacy trades in ISO 20022 template

18. As part of the international data harmonisation exercise, Hong Kong will adopt the ISO 20022 XML message standard for OTC derivative transactions reporting starting from 29 September 2025. Certain live legacy transactions that have been submitted to the HKTR are required to be re-reported in the ISO 20022 XML template (ISO template). The flowchart attached in Annex 1 – Flowchart for re-reporting scenarios of live legacy trades summarises the re-reporting scenarios of live legacy trades for long-dated trades (with remaining maturity of more than 1 year as of 29 September 2025) and how life cycle events of short-dated trades (with remaining maturity of less than or equal to 1 year as of 29 September 2025) should be updated.
19. UTIs and UPIs are not required to be generated for the re-reporting of both long and short dated live legacy trades. In other words, reporting entities are not required to generate UTIs and UPIs for re-reported live legacy trades regardless of whether they elect to re-report in the ISO template or the pre-ISO template. UTIs and UPIs will only be required for transactions executed or conducted on and after the ISO 20022 XML implementation date (i.e. 29 September 2025). For re-reporting of live legacy trades, the respective data fields are still required to be populated with currently used trade identifier (in the Proprietary ID under the “UTI” data field) and ISDA product taxonomy (in the Proprietary ID under the “UPI” data field). In cases where both USI and TID are available, reporting entities may elect to populate the Proprietary ID under the “UTI” data field with either one of them. Additionally, the re-reporting of transactional fields (i.e. data

fields in which information was obtained at the inception of a transaction and was not subject to mandatory reporting under the pre-ISO template) for live legacy trades should be done on a best effort basis.

20. Reporting of continuous fields for live legacy trades must be maintained after re-reporting. These include data fields that require regular updates regardless of whether any subsequent event takes place (e.g., data fields relating to valuation, delta, collateral and margin information of the transaction). For the avoidance of doubt, reporting entities are not required to re-report the values of collateral of a live legacy trade for the timeframe prior to 29 September 2025.
21. When re-reporting live legacy trades under the ISO template, a “quit” submission should be populated for the original trade in the pre-ISO template. The trade should then be re-reported in the ISO template with the “Action Type” “New” and “Event Type” “Update”, and the “Event Timestamp” should be populated with the date and time when the trade is re-reported.
22. The HKMA and the SFC acknowledge and understand that linking/matching breaks could arise during the 6-month transitional period following the ISO 20022 XML implementation date (i.e. 29 September 2025) as reporting entities may be re-reporting live legacy trades at different timeframes. In view of this, reporting entities are not required to reconcile breaks caused by different reporting timeframes adopted by reporting entities during the transitional period, but should continue to do so for unlinking of trades or discrepancies arising from all other causes.

B.6 Data fields

23. Data fields are generally classified as being amendable or non-amendable from a system input perspective. Non-amendable fields include: “Asset Class”, “Execution Timestamp”, “Entity responsible for reporting”, and “Unique Transaction Identifier (UTI)”. The manner for updating or correcting a non-amendable data field of a transaction is to populate the “Action Type” with “Error” for the original submission together with a new submission using the “Action Type” “New” and the “Event Type” “Trade” (i.e. re-submission). The re-

submission to the HKTR can be a report of i) the latest snapshot position or ii) all of the life cycle events in chronological order, with updated information in respect of the non-amendable data field (i.e. re-submission should make use of the same Action/Event type used when the transaction was reported for the first time or when reporting subsequent events, where applicable). The same principle regarding re-submission in either snapshot position or all life cycle events also applies to situations where the updating of a non-amendable data field is for reasons unrelated to reporting errors or changes in economic terms.

24. Reporting entities are required to observe the specific nature, the format and allowable values, and the reporting requirements of respective data fields by referring to the Reporting Rules, the FAQ, the SRI and the AIDG. Reporting entities should report the latest set of data fields published in the Government Gazette, which is also set out as the Appendix B of the AIDG. In general, the data fields in Appendix B of the AIDG fall into three categories:
- (i) Mandatory fields – All the fields published in the Government Gazette are designated as mandatory and must be completed. These fields are typically designed for collecting the key economic terms of a transaction and include mandatory fields which are “mandatory when applicable” (for example, the data field “Clearing member” must be completed if the reporting entity appoints or intends to appoint a client clearing service provider. If the trade has no clearing broker, the data field “Clearing member” should be left blank);
 - (ii) Non-mandatory fields – All the fields designated as non-mandatory are encouraged to be completed but their completion is at the discretion of the reporting entity. Leaving those data fields blank will not breach the reporting requirements.
 - (iii) Fields for administrative purposes – Although these fields are not published in the Government Gazette, these data fields are technically required and must be completed.

Section C - Specific instructions

C.1 Interbranch¹ and intrabranchn transactions

25. Transactions between different units of the same legal entity are not reportable. These include interbranch and intrabranchn transactions.

C.2 “Conducted in Hong Kong” transactions

26. Where an AI, LC or AMB reports (by itself or through a reporting agent) an OTC derivative transaction that it has “conducted in Hong Kong” on behalf of an affiliate, the report should reflect the following:
- (i) the identifying information of the AI/LC/AMB in “Entity responsible for reporting”²;
 - (ii) the identifying information of the affiliate in “Counterparty 1”³;
 - (iii) information in respect of the branch/office of the affiliate of the AI/LC/AMB that books the transaction in “Booking location”, according to paragraphs 112-113; and
 - (iv) information in respect of the trading desk in Hong Kong of the AI/LC/AMB that made the decision to enter into the transaction in “Trader location”, according to paragraph 114.
27. Where the transaction in paragraph 26 is reported by the affiliate of the AI/LC/AMB, and the AI/LC/AMB:
- (i) appoints the affiliate as its reporting agent, the reporting should follow paragraph 26;

¹ An interbranch transaction refers to a principal-to-principal transaction (or a back-to-back transaction) conducted between different branches of the same institution, including any transaction undertaken to transfer the risk of the transaction (or a portfolio of transactions) from one branch to another.

² “Entity responsible for reporting” means the party who has the reporting obligation to report the transaction.

³ “Counterparty 1” is the data field for reporting the trade party that the reporting entity is reporting for (applicable for jurisdictions where both parties must report the transaction).

- (ii) does not appoint the affiliate as its reporting agent, the reporting of the transaction is regarded as fulfilling the AI/LC/AMB's reporting obligation under Rules 17 and 18 of the Reporting Rules. It should follow paragraph 26 except that the identifying information of the affiliate of the AI/LC/AMB should be reported in both "Entity responsible for reporting" and "Counterparty 1".
28. Where the "conducted in Hong Kong" transaction concerns the Hong Kong branch of an overseas incorporated AI "conducting" the transaction for its overseas office / branch⁴, the report should reflect the following:
- (i) the identifying information of the AI in "Entity responsible for reporting";
 - (ii) the identifying information of the AI in "Counterparty 1";
 - (iii) information in respect of the overseas branch that books the transaction into "Booking location", according to paragraphs 112-113; and
 - (iv) information in respect of the trading desk in Hong Kong that made the decision to enter into the transaction in "Trader location", according to paragraph 114.
29. Care should be taken to ensure that if the same entity is to be entered in multiple data fields (e.g. "Counterparty 1"/"Counterparty 2", "Clearing member" etc.); the identifying information (e.g. the ID, ID type and name) of that entity reported in different fields must be exactly the same.
30. For the avoidance of doubt, a transaction that is entered into by the Hong Kong office/branch of a locally incorporated AI and booked in its overseas office/branch is not regarded as a "conducted in Hong Kong" transaction. In this case, follow the same reporting instructions as under "C.3 Transactions of the overseas branches of a locally incorporated AI/LC/AMB" below.
31. If an AI/LC/AMB incurs multiple reporting obligations with respect to a transaction that it has "conducted in Hong Kong", the AI/LC/AMB may report the transaction once only according to the specification below:

⁴ This refers to a transaction falling under Rule 12(1)(b) of the Reporting Rules.

- (i) Subject to (ii), where the AI/LC/AMB is one of the counterparties to the transaction⁵ and at the same time has “conducted in Hong Kong” the transaction on behalf of one of its affiliates which is the other counterparty to the transaction, the AI/LC/AMB may submit a single report (either for its counterparty role or “conducted in Hong Kong” role) to satisfy its multiple reporting obligations with respect to the transaction;
- (ii) Where the AI/LC/AMB has “conducted in Hong Kong” the transaction on behalf of both counterparties to the transaction and either (a) one of them is its affiliate and the other is its head office/overseas branch or (b) both of them are its affiliates, the AI/LC/AMB may submit a single report (for its “conducted in Hong Kong” role on behalf of either counterparty) to satisfy its multiple reporting obligations with respect to the transaction.

C.3 Transactions of overseas branches of a locally incorporated AI/LC/AMB

- 32. Report “Booking location” with reference to paragraphs 112-113, in particular the example in paragraph 113(ii).

C.4 Transfer booking

- 33. When a transaction is transferred into or out of the Hong Kong office/branch of an institution, it may create an effect as if the transaction was terminated by the Hong Kong office/branch or result in changes to “Booking location”. Therefore, transfer booking warrants special reporting treatment. Specific reporting instructions are set out below.

“Transfer in”

- 34. “Transfer in” refers to a situation where a foreign office/branch of an institution transfers a transaction that it entered into with a third party to the Hong Kong office/branch of the institution, resulting in the transaction being “booked” into the Hong Kong office/branch. Where the institution involved is a locally

⁵ And in the case of an overseas incorporated AI, the transaction is also booked in its Hong Kong branch.

incorporated AI, LC or AMB, the transaction should have been reported to the HKTR already. This is because locally incorporated AIs/LCs/AMBs are required to report a transaction to which they are a counterparty irrespective of the place of booking of the transaction. In this case, upon “transfer in”, a locally incorporated AI/LC/AMB may be required to submit a report to HKTR to update the data field “Booking location” (which should have been filled to reflect the location of the original booking branch of the transaction as required in paragraphs 112-113) to reflect the Hong Kong branch as the new booking branch.

35. In the case of an overseas incorporated AI,
- (i) if the original transaction has not been reported to the HKTR because it was not a “conducted in Hong Kong” transaction, upon “transfer in” the transaction should be reported to the HKTR as a new transaction.
 - (ii) if the original transaction has been reported to the HKTR because it was a “conducted in Hong Kong” transaction, upon “transfer in”, the AI may be required to update the data field “Booking location” to reflect the Hong Kong branch as the new booking branch.

“Transfer out”

36. Conversely, “transfer out” refers to a situation where the Hong Kong office/branch of an institution steps out of a transaction by transferring the transaction to a foreign branch/office of the institution (the latter becomes the booking office). Reporting entities can use “Action Type” “Terminate” and “Event Type” “Novation / Step-In” to report such an event.
37. The original transaction should most probably have been reported to the HKTR under the “counterparty” criterion. Where the institution concerned is a locally incorporated AI, LC or AMB, the transaction should remain reportable upon the “transfer out”, still by the “counterparty” criterion. In this case, a report may be required to be submitted to the HKTR to update the data field “Booking location” (see paragraphs 112-113). In addition, the AI/LC/AMB should still be obliged to report all subsequent events on the transaction to the HKTR.
38. Where the institution concerned is an overseas incorporated AI, whether the

transaction should remain reportable after “transfer out” depends on whether a trader responsible for the decision of entering into the transaction was a Hong Kong trader. If this is not the case, the AI could terminate the reporting of the transaction. Reporting entities can use “Action Type” “Terminate” and “Event Type” “Novation/ Step-In”. Conversely, if this is the case, the transaction should remain reportable by the “conducted in Hong Kong” criterion. In this case, the AI may be required to update the data field “Booking location” to reflect the new booking branch which should be the overseas branch. The “Trader location” is expected to be unchanged, i.e. it should reflect the trader location is in Hong Kong. The AI should continue to report subsequent events on the transaction after “transfer out”.

“Transfer to an affiliate”

39. The Hong Kong office/branch of an institution may also step out of a transaction by novating it to an affiliate (defined in Rule 2 of the Reporting Rules). The difference between “transfer out” above and “transfer to an affiliate” lies in the institution remaining a counterparty to the transaction under “transfer out” but not under “transfer to an affiliate”. The effect of “transfer to an affiliate” is as if the institution had terminated the transaction. For an AI/LC/AMB, whether the transaction should remain reportable after “transfer to an affiliate” depends on whether a trader responsible for the decision of entering into the transaction was a Hong Kong trader. If this is not the case, the AI/LC/AMB should report a termination action for the transaction. Conversely, if this is the case, the transaction should remain reportable by the “conducted in Hong Kong” criterion. Upon the transfer of the transaction to the affiliate, the AI/LC/AMB should report a termination action for the original transaction but simultaneously report a new transaction (which only needs to reflect the snapshot position on the day of transfer, i.e. no need to report historical events) per instructions for reporting a “conducted in Hong Kong” transaction (see paragraph 26). The AI/LC/AMB should continue to report subsequent events on the transaction after the transfer.

C.5 Centrally cleared transactions

40. Central clearing typically involves cancellation of an original transaction entered into bilaterally between two counterparties and creation of new transactions such that a CCP becomes the counterparty of each of the two parties, either directly or indirectly. To avoid doubt, termination of the original transaction for the purposes of carrying out central clearing is required to be reported and the transactions entered into for the purposes of central clearing and their subsequent events should be reported in chronological order.
41. For reporting the termination of the original transaction and creation of the new transaction in the event of a centrally cleared transaction, the Action / Event Type combination to be used should be “Terminate” / “Clearing” and “New” / “Clearing” respectively.

Direct clearing

42. Direct clearing applies when an institution clears a transaction with a CCP by becoming the CCP’s direct clearing member.

Counterparty to the original transaction

43. The reporting by a counterparty to the transaction that adopts direct clearing should include the following:
 - (i) the original bilateral OTC derivative transaction;
 - (ii) termination of the transaction in (i) above; and
 - (iii) the new transaction entered into with the CCP.
44. In reporting the trade events in paragraph 43(i) and (iii), the data field “Central counterparty” must be completed with information in respect of the CCP that is planned to be used to clear the transaction.

CCP

45. In reporting a transaction that a CCP entered into in the capacity of a CCP, it should enter its identifying information into the data field “Central counterparty”.

Client clearing (Principal Model⁶)

46. Reporting of transactions subject to client clearing under the principal model is illustrated in the following example (assuming all entities are prescribed persons with no exemption and a reporting obligation applies to all entities as counterparties to the transaction in the example):

- (i) Entity A entered into a transaction bilaterally with Entity B;
- (ii) Event of termination of the transaction in (i) above;
- (iii) Entity A entered into another transaction with its client clearing service provider, Entity C;

(iv) Case 1

- (a) Entity C was a direct clearing member of a CCP and it entered into a back-to-back transaction with the CCP for central clearing of the transaction; or

Case 2

- (b) Entity C entered into a back-to-back transaction with another client clearing service provider Entity D; and
 - (c) Entity D was a direct clearing member of a CCP and it entered into a back-to-back transaction with the CCP for central clearing of the transaction;
- (v) Entity B was a direct clearing member of a CCP and it entered into a transaction with the CCP for central clearing of the transaction.

Counterparty who appoints client clearing service provider (i.e. Entity A in above example)

47. Entity A is required to report trade events (i) to (iii) in the above example.

⁶ Under a principal clearing model, the clearing service provider, being a clearing member of a CCP, clears the transaction by entering into one contract as principal with its client (which may be a sub-clearing agent) and a corresponding back-to-back contract as principal with the CCP.

48. In reporting the trade events (i) and (iii) in paragraph 46, Entity A must complete the data field “Clearing member” with the identifying information of its client clearing service provider (i.e. Entity C) and the data field “Central counterparty” with identifying information of the CCP that is planned to clear the transaction. For the trade event in paragraph 46(iii) above, care should be taken to ensure that the identifying information of Entity C being entered in the data fields for trade party and “Clearing member” is exactly the same.

Counterparty who does not appoint client clearing service provider (i.e. Entity B in above example)

49. Entity B is required to report trade events (i), (ii) and (v) in paragraph 46 above. Since Entity B does not appoint a client clearing service provider, it should leave the data field “Clearing member” blank. It should however report the identifying information of the CCP that is planned to clear the transaction in the data field “Central counterparty”.

Client clearing service provider (i.e. Entity C in above example)

50. When an entity reports a transaction that it entered into in the course of providing clearing agency services, it should always report its own identifying information in the data field “Clearing member” and the CCP that is planned to clear the transaction in the data field “Central counterparty”. This includes the transactions that it entered into with the client (see paragraph 46(iii)) and, in the case that no sub-provider of clearing agency services is involved, transactions with the CCP (see paragraph 46(iv) (a)). It should also ensure that its own identifying information being entered in the data fields for trade party and “Clearing member” is exactly the same.
51. When the client clearing service provider (Entity C) is reporting the transaction that it entered into with the sub-provider (Entity D) (see paragraph 46(iv) (b)), the client clearing service provider should input the sub-provider’s name (instead of its own name) into the data field “Clearing member”.
52. An entity may take up dual roles as a counterparty to a bilateral OTC derivative

transaction and a client clearing service provider to the other counterparty of the transaction (for example, Entity B is one of the trade parties to the transaction and also the client clearing service provider of Entity A). In this case, the entity should separately report the transactions under each role according to the reporting instructions for a counterparty not appointing a client clearing service provider (paragraph 49) and those for the client clearing service provider (paragraph 50).

Client clearing service sub-provider (i.e. Entity D in above example)

53. When an entity reports a transaction that it entered into in the capacity as a clearing service sub-provider, it should always report its own identifying information in the data field “Clearing member” and the CCP that is planned to clear the transaction in the data field “Central counterparty”. This includes the transaction with its client (which is the first client clearing service provider, or, in our example, Entity C) (see paragraph 46(iv) (b)) and the transaction with the CCP (see paragraph 46(iv) (c)). It should also ensure that its own identifying information being entered in the data fields for trade party and “Clearing member” is exactly the same.

CCP

54. In reporting a transaction that a CCP entered into in the capacity of a CCP, it should enter its identifying information in the data field “Central counterparty”. This requirement is the same as in the case of direct clearing.

Client clearing (Agency Model⁷)

55. Reporting of transactions subject to client clearing under the agency model is illustrated in the following example (assuming all entities are prescribed persons with no exemption):

- (i) Entity A entered into a transaction bilaterally with Entity B;

⁷ Under an agency clearing model, the clearing service provider, being a clearing member of the CCP, acts as an agent for its client to clear a transaction with the CCP and takes on the obligations of the client under the contract of the transaction being cleared.

- (ii) Termination of the transaction in (i) above;
- (iii) Entity A cleared the transaction via its client clearing service provider, Entity C, through a CCP. Entity C, a clearing member of the CCP, acted as an agent for Entity A in its transaction with the CCP and had the obligation towards the CCP in respect of Entity A's transaction with the CCP.
- (iv) Entity B was a direct clearing member of a CCP and it entered into a transaction with the CCP for central clearing of the transaction.

Counterparty who appoints client clearing service provider (i.e. Entity A in above example)

56. Entity A is required to report trade events (i) to (iii) in the above example. In reporting the trade events (i) and (iii) in paragraph 55, Entity A must complete the data field "Clearing member" with the identifying information of its client clearing service provider (i.e. Entity C) and the data field "Central counterparty" with identifying information of the CCP that is planned to clear the transaction. For trade event (iii) in paragraph 55, Entity A must report the identifying information of the CCP in the data field for trade party.

Counterparty who does not appoint client clearing service provider (i.e. Entity B in above example)

57. The same requirement as paragraph 49 applies.

Client clearing service provider (i.e. Entity C in above example)

58. Entity C with its role as a clearing service provider under the agency clearing model does not incur any reporting obligation.

CCP

59. In reporting a transaction that a CCP entered into in the capacity of a CCP, it should:

- enter its identifying information in the data fields “Central counterparty”; and
- (with respect to the transaction with Entity A) report Entity C as the clearing broker.

C.6 “De-cleared and re-cleared” transactions

60. A “de-clear and re-clear” operation is usually undertaken to amend the economic terms of a transaction that has undergone central clearing. The processes comprise: (i) “de-clear” the transaction, which involves terminating the transaction entered into between the original counterparties and the CCP (and the transaction associated with client clearing where applicable); (ii) the original counterparties enter into a new transaction with amended terms; and (iii) the original counterparties clear the new transaction (may involve client clearing service providers) again with a CCP (i.e. “re-clearing”). There is no special treatment under the Reporting Rules for reporting trade events arising in the course of “de-clearing and re-clearing”.
61. The “Action Type” “Terminate” and “Event Type” “Clearing” should be used to terminate the transactions entered into between the original counterparties and the CCP. While the “Action Type” “New” and “Event Type” “Clearing” should be used to report the new transaction with amended terms.

C.7 Ceasing reporting of subsequent events regarding an outstanding transaction

62. A person whose reporting obligation has ceased (e.g. an institution has ceased to be an AI/LC/AMB) is not precluded from continuing to report the subsequent events of transactions that the person has reported to the HKTR while its reporting obligation was in force. However, the person can choose to stop reporting by cancelling membership with HKTR. Similarly, for a person who has reported transactions to the HKTR voluntarily but determines to stop reporting further subsequent events on the transactions, the “Action Type” “Transfer Out” and “Event Type” “Transfer” should be reported. Where the person is an affiliate of an AI/LC/AMB and the AI/LC/AMB has been relying on the reports submitted

by this affiliate in order to have its own reporting obligation taken to have been complied with, upon the affiliate “terminating” the transactions, the AI/LC/AMB should arrange to report these transactions to the HKTR within two business days after the date the affiliate “terminated” the transactions. Reporting entities can use “Action Type” “Transfer Out” and “Event Type” “Transfer”. The AI/LC/AMB should continue to comply with the obligation to report subsequent events of these transactions.

C.8 Transaction termination / reduction of notional

63. A reporting entity should report every transaction in respect of which it has a reporting obligation without regard to whether the transaction will be / has been cancelled or terminated within two business days after the trade day.
64. If a new transaction is entered into and cancelled / fully terminated within the same day, a report of the new transaction must still be submitted. In addition, if more than one subsequent event happens on that day, submission of one report incorporating all these subsequent events is acceptable pursuant to Rule 25(3) of the Reporting Rules followed by reporting the event of cancellation/ full termination.
65. For reporting a reduction in the notional amount outstanding or a partial termination, the “Action Type” “Modify” and “Event Type” “Early termination” should be used. It should be noted that in the ISO template, a zero notional input is no longer equivalent to trade termination and the data field “Notional amount” is not required for the “Action Type” “Terminate”. Inputs for the data field "notional amount" does not affect the trade status of the submitted trades.

C.9 Identifiers for transactions and counterparties

Identifiers for transactions

66. To facilitate the HKTR to link up the reports submitted by the two transacting TR Members of the same transaction, and to facilitate TR Members to efficiently identify and resolve potential reporting errors, reporting entities are required to

report standardised UTIs for each submitted reportable transaction to the HKTR. This section sets out the key standards and requirements for the UTIs.

67. Market participants should follow the steps below to determine the entity responsible for generating the UTI. These steps are based on the waterfall of factors as set out in the UTI Technical Guidance and are largely equivalent to those adopted by other major jurisdictions:
- (a) for cleared OTC derivatives transactions other than OTC derivatives transactions between two CCPs, the UTI shall be generated at the point of clearing by the CCP for clearing members. A different UTI shall be generated by a clearing member for its counterparty for a trade in which the CCP is not a counterparty;
 - (b) for OTC derivatives transactions which are centrally executed but not centrally cleared, the UTI shall be generated by the venue of execution for its member;
 - (c) for OTC derivatives transactions other than those referred to in points (a) and (b), where either counterparty is subject to the reporting requirements in a jurisdiction outside Hong Kong⁸, the UTI shall be generated pursuant to the rules of the jurisdiction of the counterparty that must first comply with those reporting requirements.

Where the counterparty subject to reporting must first comply with Hong Kong's reporting requirements, the following entities shall be responsible for generating the UTI:

- (i) for OTC derivatives transactions that were centrally confirmed by electronic means, the trade confirmation platform at the point of confirmation;

⁸ In determining whether a counterparty is subject to the reporting requirements in a jurisdiction outside Hong Kong in the UTI generation logic, the nexus element of a "conducted in Hong Kong" transaction as set out in Rule 4 of the Reporting Rules should be disregarded, i.e., only the *counterparty's* reporting requirements should be considered.

- (ii) for all other OTC derivatives transactions, the counterparties shall agree on the entity responsible for generating the UTI. Where the counterparties fail to agree, the counterparty whose LEI⁹ is first based on sorting the identifiers of the counterparties with the characters of the identifier reversed shall be responsible for the generation.

Where the applicable laws of the relevant jurisdiction outside Hong Kong provide for the same reporting deadline as the one applicable to the counterparty subject to Hong Kong's reporting requirements, the counterparties shall agree on the entity responsible for generating the UTI.

Where the counterparties fail to agree, and the OTC derivatives transaction was centrally confirmed by electronic means, the UTI shall be generated by the trade confirmation platform at the point of confirmation.

If the UTI cannot be generated by the trade confirmation platform at the point of confirmation, and the details of the OTC derivatives transaction have to be reported to a single trade repository¹⁰, that trade repository shall be responsible for generating the UTI.

If the UTI cannot be generated by the trade repository to which the details of the OTC derivatives transaction have been reported, the counterparty whose LEI¹¹ is first based on sorting the identifiers of the counterparties with the characters reversed shall be responsible for UTI generation;

- (d) for OTC derivatives transactions other than those referred to in points (a), (b) and (c), that were centrally confirmed by electronic means, the UTI shall be generated by the trade confirmation platform at the point of confirmation;

⁹ If Counterparty 2 does not have an LEI, Counterparty 1 should generate the UTI.

¹⁰ In Hong Kong, the HKTR will not be responsible for generating the UTI.

¹¹ If Counterparty 2 does not have an LEI, Counterparty 1 should generate the UTI.

- (e) for all OTC derivatives transactions other than those referred to in points (a) to (d), the following shall apply:
 - (i) where reporting counterparties¹² conclude an OTC derivatives transaction with non-reporting counterparties, the reporting counterparties shall generate the UTI;
 - (ii) for all OTC derivatives transactions other than those referred to in point (i), the counterparties shall agree on the entity responsible for generating the UTI. Where the counterparties fail to agree, the counterparty whose LEI¹³ is first based on sorting the identifiers of the counterparties with the characters of the identifier reversed shall be responsible for UTI generation.
68. Apart from the steps outlined above, reporting entities are also allowed to delegate the UTI generation to another entity or a third party service provider upon bilateral agreement.
69. In the event that a reporting entity does not receive a UTI from the UTI generating entity in sufficient time to meet the reporting deadline, the reporting entity should not leave the “UTI” data field blank as this will result in a rejection by the HKTR system. Instead, the reporting entity should generate its own UTI¹⁴ in a format that is consistent with the UTI Technical Guidance as an interim UTI for reporting purposes and continue to make reasonable efforts to obtain the UTI from the UTI generating entity. Where the reporting entity subsequently obtains the UTI, it should report the UTI (and also report the interim UTI as “prior UTI”) no later than two business days after obtaining the UTI.
70. When replacing the interim UTI with the actual UTI, the “Action Type” “Error” should be used to exit the trade with the interim UTI. Then, the “Action Type”

¹² In determining whether a counterparty is a reporting counterparty in the UTI generation logic, the nexus element of a “conducted in Hong Kong” transaction as set out in Rule 4 of the Reporting Rules should be disregarded, ie, only the *counterparty’s* reporting obligation should be considered.

¹³ If Counterparty 2 does not have an LEI, Counterparty 1 should generate the UTI.

¹⁴ If it is not technically feasible for a reporting entity to generate the UTI, it may report an internally generated code as an interim UTI.

“New” and “Event Type” “Trade” should be used when resubmitting the trade with both the actual UTI and prior UTI (i.e. the interim UTI) included.

Identifiers for products

71. Reporting entities are required to provide the UPIs for the derivatives of each submitted reportable transaction to the HKTR to facilitate clear identification of the instruments used in the transaction and global data aggregation in the OTC derivatives market. The paragraphs below outline the key standards and requirements for the UPIs. The detailed procedures on obtaining a UPI can be referenced from Derivatives Service Bureau (DSB)¹⁵, the sole designated UPI Service Provider.
72. In cases where an appropriate UPI code cannot be obtained for non-conventional products, reporting entities should report the catch-all attribute “other” for underliers which cannot be identified. Additionally, the data fields “Underlying identification” and “Name of the underlying index” should be populated when an ISO 6166 International Securities Identification Number (ISIN) is available. In cases where an ISIN is not available, the data fields “Underlier ID (OTHER)” and “Underlier ID (OTHER) source” should be populated instead.
73. As an example, in the case of reporting the UPI of digital assets / crypto derivatives, the use of the ISO 24165 Digital Token Identifier (DTI) is accommodated in our reporting requirements. When reporting the UPI of digital assets / crypto derivatives, reporting entities should submit the value of Underlier ID as ‘OTHER’ to the UPI service provider. They should then populate the field “Underlier ID (OTHER)” with the DTI, and the field “Underlier ID (OTHER) source” as “ISO 24165”.
74. Reporting entities should be reminded that non-standardised UPIs should only be utilised when it is not possible to match a standardised UPI to the OTC derivative’s underlier. Reporting entities are expected to take all reasonable steps to ensure that the UPI reported is the most suitable one for the reportable

¹⁵ <https://cosp.anna-dsb.com/home>

transaction.

Identifiers for reporting entities or transacting parties

75. The mandatory use of LEIs requires reporting entities to use only LEI issued under the Global LEI System established by the Regulatory Oversight Committee (ROC) of the Global LEI System to identify all parties on the reporting entity's side of a transaction.
76. For fields indicating the identity of parties that are Counterparty 2 or entities other than Counterparty 1, reporting entities are allowed to use several types of third-party assigned identifiers supported by the HKTR as set out in the enumerations and coding schemes in the AIDG. If none of such third party-assigned identifiers is available for a party, a unique internal customer/counterparty reference code assigned by the reporting entity (the same code should be used for identifying the same party in all transactions reported by the reporting entity) meeting the specifications in the AIDG can be used. Where a party possesses several types of third party-assigned identifiers, the identifier to be reported for indicating the identity of the party should be determined by the order of priority applicable to the different types of identifiers. Specifically, among the various types of third party-assigned identifiers that may be available, the identifier with the highest level of priority in the following list should be reported to indicate the identity of the party:
 - (i) **1st Priority:** LEI included in the LEI data as published by the Global LEI Foundation (GLEIF, www.gleif.org/) based on ISO 17442
 - (ii) **2nd Priority:** SWIFT BIC (Business Identifier Code)
 - (iii) **3rd Priority:** Unique Business Identifier implemented by the Company Registry
 - (iv) **4th Priority:** Number of the Certificate of Incorporation (CI) (for locally incorporated companies)/Certificate of Registration (CR) (for companies incorporated overseas)
 - (v) **5th Priority:** Business Registration Number (BRN) issued by the Inland

Revenue Department of Hong Kong.

(vi) **6th Priority:** User Defined Code

77. While reporting entities are allowed to use the third-party assigned identifiers listed above to indicate the identity of parties that are not on the reporting entity's side of a transaction, they are expected to put in place a process to request LEIs from their clients. For those clients which do not already have LEIs, this process also includes educating their clients about LEI and encouraging or assisting them to obtain one.
78. When LEI is used for indicating the identity of a party in trade reporting, we expect reporting entities to take reasonable steps to verify the LEIs that they obtain from their counterparties. This means that reporting entities should ensure that the LEIs they obtain and pertain to the entities concerned are included in the Global LEI System. Although we do not expect reporting entities to check the registration status of their counterparty's LEI before reporting each trade, they should have appropriate arrangements in place for their counterparty to update them if there is any change in the counterparty's LEI status. In any case, reporting entities should ensure that current and valid LEIs are maintained and used for their own groups of companies in trade reporting.
79. Where masking relief is applicable under the Reporting Rules, reporting entities should fill in the counterparty particulars of the masked entity in the following manner:
- Data fields related to "Counterparty 2 Name" – enter "Masked".
 - Data fields related to party Type "Scheme Name" – enter "User Defined Code".
 - Data fields related to party "Identifier" – enter a unique internal reference code.¹⁶
80. When reporting a transaction with a private individual (whether masking relief is

¹⁶ In this connection, each counterparty should be assigned a unique internal reference code, which should be used consistently when reporting all transactions with the same counterparty.

applicable or not), with effect from 29 September 2025, the counterparty particulars of the individual should be reported in the following manner¹⁷:

- Data fields related to “Counterparty 2 Name” - leave blank. An input of an asterisk or another symbol which does not lead to identifying the counterparty would be deemed as equivalent to leaving the field blank.
- Data fields related to party Type “Scheme Name” - enter “User Defined Code”.
- Data fields related to party “Identifier” - enter a unique internal reference code.

Maintenance of reporting or transacting party identifiers at the HKTR

81. For transactions reported to the HKTR that have not yet matured, TR Members are required to review the identifiers reported by them and update those that are no longer valid:

- (i) for transactions carrying internal customer/counterparty reference codes, to review whether any of the third party-assigned identifiers specified by the HKTR have become available for the parties for whom internal customer/counterparty reference codes have been reported, and replace the codes by the available third party-assigned identifier of the highest level of priority; and
- (ii) for transactions carrying third party-assigned identifiers, to review whether those identifiers have become invalid, e.g. the reporting or transacting party no longer possesses an identifier; or an identifier of a higher level of priority has become available for the reporting or transacting party. The TR Member should obtain valid identifiers from the relevant parties and update the records at the HKTR.

82. TR Members should review and update the identifiers reported for parties that are not TR Members at least annually, say during annual reviews of the parties’

¹⁷ Reporting entities are also required to complete the withdrawal and resubmission of outstanding reported transactions which contain particulars of private individual by 30 June 2017.

banking or trading facilities. The HKTR will issue half-yearly reminders to TR Members in this regard.

C.10 Error corrections and missing trades

83. A reporting entity should correct errors in their reports submitted to the HKTR within two business days from the day the errors are identified.
84. There are two approaches to error correction: (1) snapshot approach – this approach only corrects the latest position of the transaction; and (2) the life-cycle approach – this approach corrects the error in all the previous reports submitted to the HKTR. An institution is free to apply either the snapshot or lifecycle approach when correcting errors.
85. When correcting errors on amendable data fields, a reporting entity should update the relevant data field with the correct information by submitting a correction report with the “Action Type” “Correct” and leaving the “Event Type” blank. This method applies for the snapshot approach. For the lifecycle approach, as the chronological order of events has to be followed (using the data field “Event Timestamp”), a reporting entity would need to first withdraw the original trade by reporting the “Action Type” “Error” and leaving the “Event Type” blank, and resubmit using “Action Type” “New” and “Event Type” “Trade” to report all the life-cycle events accordingly.
86. When correcting errors on non-amendable data fields, a reporting entity should withdraw the original trade with the error, and make a re-submission of the transaction by reporting the “Action Type” “Error” (and leaving the “Event Type” blank for the incorrect trade, and subsequently reporting the corrected new transaction with the “Action Type” “New” and “Event Type” “Trade”. This method applies for both the approaches. For lifecycle approach, as mentioned above in the paragraph 85, a reporting entity would need to report an error, and then resubmit all the life-cycle events using “Action Type” “New” and “Event Type” “Trade”.
87. For reported trades where certain information is missing, a reporting entity should provide the missing information as an error correction with the treatment stated

in the paragraphs 84-86 above. Reporting entities should make such correction as soon as they become aware of any errors or omission of information in the report of the transaction without prejudice to the regulators taking any enforcement actions in respect of reporting breaches if appropriate.

88. To avoid doubt, a correction report is not required if a counterparty has introduced incorrect information only in its own internal systems following the modification of a transaction, but has not yet reported such incorrect data to the HKTR. In such cases, that counterparty should only send the new modification report containing the correct data (i.e., a modification report with the incorrect data and followed by a correction is not required.
89. An example is provided below to illustrate the application of the snapshot approach and the life-cycle approach:

Entity A and Entity B entered into a transaction on 1 January. Both entities have a reporting obligation in respect of this transaction and both reported the transaction correctly. On 1 February, a subsequent event of partial termination occurred. The resultant amount of the transaction was reported correctly by Entity A but wrongly by Entity B. On 1 March, a further partial termination occurred (last subsequent event). The error of Entity B started on 1 February carried through to this date. The error was eventually identified by Entity B on 1 April.

Errors identified by Entity B (i.e. entries underlined below) on 1 April:

| | 1 January | 1 February | 1 March |
|----------|----------------|------------------------|------------------------|
| Entity A | USD 10 million | USD 9 million | USD 8 million |
| Entity B | USD 10 million | <u>USD 9.5 million</u> | <u>USD 8.5 million</u> |

Snapshot approach

90. To correct the error by the snapshot approach, Entity B may, in the case of amending non-amendable fields, make a re-submission of the transaction by terminating the incorrect transaction with the “Action Type” “Error” and

resubmitting the corrected transaction with the “Action Type” “New” and “Event Type” “Trade”. When resubmitting, the field “Event timestamp” should be reported as 1 March (the last event position) or 1 April (e.g. the date which the latest position is based on). In the case of correcting an amendable data field, such as notional amount in the example above, Entity B can alternatively simply submit one report using the “Action Type” “Correct” and leave “Event Type” blank to correct the error in the relevant data field, with the field “Event timestamp” input as 1 March (the last event position) or 1 April (e.g. the date which the latest position is based on). The result of this approach is as follows:

| | 1 January | 1 February | 1 March |
|----------|----------------|-----------------|-----------------|
| Entity A | USD 10 million | USD 9 million | USD 8 million |
| Entity B | USD 10 million | USD 9.5 million | USD 8 million * |

*Amended position (“*Execution timestamp*”: 1 January; “*Event timestamp*”: 1 March (date of the last subsequent event) / 1 April (date of which the latest position reported is based on) and Notional: USD 8 million)

Life-cycle approach

91. To correct the error by the life-cycle approach, Entity B should withdraw the original transaction using the “Action Type” “Error” and leave the “Event Type” blank and report new transactions with positions corrected at all subsequent event dates using the “Action Type” “New” and “Event Type” “Trade”. The result of this approach is as follows:

| | 1 January | 1 February | 1 March |
|----------|------------------|-----------------|-----------------|
| Entity A | USD 10 million | USD 9 million | USD 8 million |
| Entity B | USD 10 million * | USD 9 million * | USD 8 million * |

*Newly reported transaction (“*Execution timestamp*”: 1 January; “*Event timestamp*”: each respective agreement date and Notional: each respective notional)

92. For trades missing the T+2 reporting timeframe, reporting entities should make a

submission of the transaction as soon as possible, without prejudice to the regulators taking any enforcement actions in respect of reporting breaches if appropriate. In any event, the reporting of a missing trade should be completed with the rebuild of all previous life-cycle events as from the trade date. The snapshot approach is not allowed for such cases.

C.11 Fund allocation

93. When trading with a fund manager, a reporting entity may only be informed of the allocated funds that are the actual counterparties of the transaction after the point of execution of the trade. If the reporting entity were to report the transaction after the allocation, the report should already contain the correct counterparties. If, however, the report was submitted prior to the allocation, there is a need to correct the counterparty in the submitted report. The reporting entity should either:

- (i) Terminate the original trade report with “Action Type” “Terminate” and “Event Type” “Allocation” and make a re-submission with the “Action Type” “New” and “Event Type” “Allocation”, amending the counterparties data fields and providing a snapshot of the latest position with the “Event timestamp” field filled with the date of the latest position. The re-submission report should keep the “Execution timestamp” and the “Effective date” same as those reported in the original trade; or
- (ii) Terminate the original trade report and make a submission of the new trade(s) with the correct counterparties and a snapshot of the latest position. The re-submission report should keep both fields “Execution timestamp” and the “Effective date” as in the original trade. Reporting entities should populate the “Prior UTI” data field with the UTI provided in the “Unique Transaction Identifier (UTI)” data field previously. Under the scenario where a block trade is allocated within T+2, and therefore the original block trade would not be reported and thereby would not have an original UTI, the reporting of the resulting split trades would not be required to populate the data field “Prior UTI”. However,

for cases where a block trade has been reported to the HKTR and therefore have an original UTI, then the “Prior UTI” data field must be populated accordingly for the resulting split trades under this “one-to-many” scenario.

C.12 Novation¹⁸

94. As mentioned in paragraph 15, the reporting of novation transactions involves both i) the termination of the existing trade to the HKTR by the remaining party and step-out party and ii) the submission of a new transaction reflecting the new counterparty information by the remaining party and step-in party.
95. An example is provided below to illustrate the reporting of novation transactions:

Entity A and Entity B entered into a transaction on 1 January. Both entities have a reporting obligation in respect of this transaction and both reported the transaction correctly. On 1 April, Entity A novated the trade to Entity C.

- (i) Entity A should terminate the original reported trade between itself and Entity B with the “Action Type” “Terminate” and “Event Type” “Novation/Step-in”.
- (ii) Entity B should terminate the original reported trade between itself and Entity A with the “Action Type” “Terminate” and “Event Type”

¹⁸ In light of the consultation on reporting novation transactions by the Committee on Payments and Market Infrastructure - International Organization of Securities Commissions (CPMI-IOSCO) Harmonization Group and in the expectation that further guidance will be released following the consultation and related discussion, the effective date for compliance with the requirements stated in paragraph 95(ii) and (iii) in section C.11 will be deferred until further notice. Entities may continue reporting information relating to the relevant dates as they are doing currently. Entities that have already adopted the requirements in section C.11 do not need to change back. Further guidance on the reporting treatment relating to dates will be issued once international standards have been published. In the meantime, entities may adopt different approaches to reporting dates of novation transactions, discrepancies in reports from the counterparties to some trades will be unavoidable. Reporting entities are not required to reconcile discrepancies arising from differences in the reporting of Trade Date/Effective Date until the further guidance on reporting of such information is issued but should continue to do so for discrepancies arising from all other causes.

“Novation/Step-in, and submit a new trade with the “Action Type” “New” and “Event Type” “Novation/Step-in”. In the new trade submission, Entity B should fill in the “Prior UTI” data field with the UTI provided in the “Unique Transaction Identifier (UTI)” data field previously. The “Execution timestamp” and “Effective date” data fields should be populated by the respective execution and effective dates of the new trade between Entity B and Entity C, i.e. the novation execution date and novation effective date.

- (iii) Entity C should input a new trade between itself and Entity B. In the new trade submission, Entity C should fill in the “Prior UTI” data field with the UTI provided in the “Unique Transaction Identifier (UTI)” data field previously. There are instances where Entity C, as a step-in-party, would not have access to information relating to the identifiers from the original trade. For purposes of clarification, in the new trade submission for the novated trade, Entity C would not be required to populate the “Prior UTI” data fields if the original trade’s UTI were not provided to it. However, Entity C would be required to report the “Prior UTI” data fields if it was provided with the information from the original reported trade. The “Execution timestamp” and “Effective date” data fields should be populated by the respective execution and effective dates of the new trade between Entity B and Entity C (i.e., the novation trade date and novation effective date).

C.13 End-of-day snapshot and intraday lifecycle event reporting approach

- 96. As mentioned in paragraphs 63-64 of the Conclusion Paper, while market participants are encouraged to adopt the intraday lifecycle event reporting approach as soon as practical, the HKTR currently supports both the intraday lifecycle approach and the snapshot approach for capturing and maintaining OTC derivatives transactions for reporting purposes.
- 97. Under the life-cycle approach, reporting entities have to submit trade information at inception and on subsequent trade events individually and sequentially, in

chronological order, as they occur until the expiry or scheduled termination of the transaction. Each submission made will therefore signify a single trade event. Reporting entities adopting the snapshot approach for reporting a transaction, on the other hand, have to report “snapshots” of the transaction, each may incorporate the effects of multiple trade events. The trade events covered by each snapshot, however, must take place on the same trade day. Like trade events under the life-cycle approach, snapshots of a transaction should be reported to the HKTR one by one sequentially and, in chronological order.

98. For reporting event updates in both the end-of-day snapshot and the intraday lifecycle event approach under the ISO template, the “Action Type” “Modify” and “Event Type” “Update” should be used. For intraday lifecycle events, reporting entities should choose the corresponding action and event type of each event to report. “Event Timestamp” as specified in the post trade action request must be later than the “Event Timestamp” of the last processed trade action request.

Section D - Specific instructions on Data Fields

99. The mandatory data fields were published by notice in Government Gazette. Reporting entities are required to identify the correct Action/Event type combination for reporting a specified OTC derivative transaction subject to reporting obligation under the Reporting Rules. Reporting entities should refer to the descriptions provided for these data fields in order to report the required information for each submission.
100. The following are specific instructions on how to fill out certain data relating to a specified OTC derivative transaction, and to persons involved in the transaction as listed under Schedule 1 of the Reporting Rules.
101. The data fields highlighted apply to all asset classes, unless otherwise specified.

D.1 Information and particulars relating to the class or type of product to which the transaction belongs

D.1.1 Data field “Asset class”

102. Reporting entities should agree on which asset class is the key or primary one when the transaction is reportable by both counterparties to a trade, and populate the asset class accordingly. This also applies to cases where the transaction involves paper gold (XAU) as it is not our policy intention to prescribe which asset class reporting entities should classify transactions but rather that it be agreed among the counterparties. For transactions involving paper gold and a currency, reporting entities may follow market practice in terms of the classification of asset class. As such, if market practice is to treat a transaction with paper gold and a currency as belonging to the FX asset class, the Asset class” data field should be populated with “FX”, provided that the two trade parties agree to that effect.

D.1.2 Reporting complex transactions

103. When reporting a complex trade or structured transaction, reporting entities

should report the transaction following what has been agreed and confirmed among the counterparties based on the confirmation or contract that they executed. For example, if a structured trade involves an Equity Swap and a NDF and the trading parties decided to execute an exotic product contract or confirmation, the reporting entities should follow with the contract or confirmation basis and report the trade as a single trade. However, if the trading parties decided to break down the trade into two contracts (i.e. one Equity Swap and one NDF), then the reporting entities should report two separate trades according to the two contracts. If a multi-leg complex transaction is confirmed between the counterparties as separate trades with each leg having its own UTI, reporting entities should report each different leg as a separate reporting entry with its UTI. If a complex transaction is confirmed as a single trade with only one UTI, reporting entities should submit one reporting entry with all the legs of the transactions.

D.1.3 Reporting FX Swap

104. When reporting a FX Swap transaction, the trade must be broken down into two Forward transactions and reported as two separate trades as consistent to industry practice. If the near leg of the swap is a spot transaction, reporting entities should still report this near leg, along with the far leg forward transaction and link the two transactions with a unique value in the “Swap Link ID” data field. For these types of short-dated FX swap products where the UTI could only be provided after the near leg have already expired, the expired near leg should still be reported together with the UTI obtained subsequently within the stipulated T+2 reporting timeframe. The HKTR supports the reporting of matured/expired transactions.
105. For the re-reporting of FX Swap transactions, reporting entities are still required to re-report the near leg of the FX Swap transaction even if the near leg will mature on or before the end of 29 September 2026, when the corresponding far leg is subject to be re-reported (it will not mature on or before 29 September 2026). For such cases, the data field “Swap Link ID” should continue to be populated.

D.1.4 Reporting Zero Notional Swap

106. A trade would remain active if it is downsized to zero notional amounts and subject to being upsized again at a later time. When the trade is upsized again, it could be (i) reported as a new trade by terminating the existing trade and reporting a new trade; or (ii) reported as an existing trade by amending the notional amounts. Reporting entities should agree with their counterparties on the data fields “UTI”, “Execution timestamp” and “Effective date” to be reported to avoid mismatch.

D.2 Dates and periods relating to the transaction

D.2.1 General

107. Reporting entities should refer to and follow the detailed descriptions provided for the data fields as published in the Government Gazette when reporting information about dates and periods relating to the transaction. Coordinate Universal Time (UTC) should be used by reporting entities when populating all time-related data fields.

D.2.2 Data fields related to transaction activity / subsequent event timestamp

108. The field “Event timestamp” should only be populated with the date and time of occurrence of the reported event, and should not be confused with the fields “Collateral timestamp” and “Valuation timestamp”.
109. The field “Collateral timestamp” should be populated with the date and time of the last margin update, while the field “Valuation timestamp” should be populated with the date and time of the last valuation.
110. In addition, reporting entities should not mix up the data fields “Event timestamp” and “Execution timestamp”. The data field “Event timestamp” should be populated with the date and time of occurrence of an event. In the case of a

modification agreed for a future date, this data field should reflect the timestamp at which the modification occurs. In the case of a clearing event, this data element should reflect the recorded date and time when the central counterparty (CCP) accepted to clear a transaction. The data field “Execution timestamp” should be populated with the timestamp where the execution of a transaction resulted in the generation of a new UTI. This data element remains unchanged throughout the life of the UTI.

D.2.3 Reporting transactions with open-ended maturity date

111. For certain transactions where there is no specific final maturity date at the time the transactions were entered into (e.g. an open-end total return swap trade), reporting entities should agree with their counterparties and populate the relevant maturity or termination dates of the transaction with “9999-12-31”.

D.3 Information and particulars relating to the counterparties to the transaction

D.3.1 Data field “Booking location”

112. This field identifies the location of the branch/office (of that Counterparty) into which the transaction is booked. A transaction always involves two counterparties. The data field “Counterparty 1” indicates the trade party that the reporting entity is reporting for. “Booking location” should be completed with reference to the trade party reported in “Counterparty 1” (i.e. a reporting entity is only required to fill out the “Booking location” field in relation to the trade party it is reporting for but not the other counterparty to the transaction). This field should be populated with a ISO 3166 2 character country code.
113. Some illustrative examples for completing “Booking location” (the same treatment should apply to cases where the report is submitted by a reporting agent) are provided below:
 - (i) A locally incorporated AI/LC reports an OTC derivative transaction that is booked in Hong Kong. In this case the code “HK” should be populated.

- (ii) A locally incorporated AI reports an OTC derivative transaction of its branch in Singapore. In this case the code “SG” should be populated.
- (iii) A foreign incorporated AI reports a transaction that is booked into its Hong Kong branch. In this case the code “HK” should be populated.
- (iv) A foreign incorporated AI reports a transaction that its Hong Kong branch “conducted in Hong Kong” on behalf of its UK branch (i.e. the transaction is booked into the UK branch). In this case the code “GB” should be populated.
- (v) An AI/LC reports a transaction that its Hong Kong branch/office “conducted in Hong Kong” on behalf of an affiliate in the US (i.e. the transaction is booked into the affiliate in the US). In this case the “Counterparty 1” is the affiliate of the AI and therefore the booking location should be the location of the office/branch of the affiliate into which the transaction is booked, i.e., “US” should be populated.
- (vi) Assuming in the example in paragraph 113(v) above it is the affiliate of the AI/LC instead of the AI/LC itself that reports the transaction, it remains the case that the affiliate is the “Counterparty 1” and so the booking location should still be the location of the office/branch of the affiliate of the AI/LC. The same reporting instruction applies.
- (vii) Where a company reports an OTC derivative transaction voluntarily to the HKTR, it should also complete “Booking location” according to paragraph 112.
- (viii) A CCP reports the transactions that it cleared to the HKTR. Most likely a CCP would choose to report the jurisdiction code corresponding to its office location pursuant to the instruction in paragraph 112.

D.3.2 Data field “Trader location”

114. This field identifies the location of the trading desk responsible for the decision of entering into the transaction. The trading desk need not belong to any of the trade parties. For example, if an AI/AMB/LC “conducted in Hong Kong” an OTC derivative transaction on behalf of an affiliate, the trading desk is in the AI/AMB/LC whereas the trade party is the affiliate. This field should be

populated with a ISO 3166 2 character country code.

115. Some illustrative examples for completing “Desk ID” are provided below:
- (i) A bank (whether a local bank or the Hong Kong branch of a foreign bank) entered into an OTC derivative transaction through a trading desk in Hong Kong – It can simply report “HK”.
 - (ii) The Singapore branch of an AI incorporated in Hong Kong entered into an OTC derivative transaction domestically – It can simply report “SG”.
 - (iii) Where an institution reports an OTC derivative transaction voluntarily to the HKTR, it should also complete the “Trader location” field according to paragraph 114. The reporting should be straightforward if the decision of entering into the transaction is made by its own trading desk. Where the institution does not have a trading desk, simply report the jurisdiction code that reflects the location of its office that made the trading decision. Where the institution has appointed another entity to make the decision of entering into the transaction on its behalf, the jurisdiction code should be chosen to reflect the location of the trading desk of the appointed entity. This treatment is applicable to the case where the institution is an affiliate of an AI/LC/AMB and the entity being appointed to make the trading decision is the AI/LC/AMB.
 - (iv) A CCP reports the transactions that it cleared to the HKTR. Since a CCP does not have trading desks, it should report the jurisdiction code reflecting its office location.
116. Reporting entities are reminded to report according to the instructions provided above. For instance, for an OTC derivative transaction transacted through a trading desk in Hong Kong, we would accept an input of “HK”. We do not accept submissions in any other formats not specified in the SRI. Some unacceptable formats include “Banking”, “Hong Kong”, “Trading” and “HKG”.

D.3.3 Data fields “Counterparty 1”, “Entity responsible for reporting” and “Submitter Identifier”

117. Per Reporting Rules 10(1)(a), 11(1)(a), 12(1)(b) 13(1)(a), 14, and 15 an AI, LC,

AMB, RCH or ATS-CCP has to report (by itself or through a reporting agent) a specified OTC derivative transaction if it is a counterparty to the transaction. The data field “Entity responsible for reporting” should reflect the identifying information of the reporting AI/LC/AMB/RCH/ATS-CCP which has the reporting obligation under the Reporting Rules. The information in the “Entity responsible for reporting” should be identical to the information in the “Counterparty 1” which is the Trade Party of the transaction. Whereas the data field “Submitter Identifier” should reflect the identifying information of the party submitting the trade report, either the Reporting Party or its agent. Reporting entities should refer to the instructions in this SRI and the detailed description of the gazetted data fields in order to provide the correct information for each data field.

118. Per Reporting Rules 10(1)(b), 11(1)(b), 12(1)(c) and 13(1)(b), an AI, LC or AMB has to report (by itself or through a reporting agent) a specified OTC derivative transaction that it has conducted in Hong Kong on behalf of an affiliate. The report should reflect (i) the identifying information of the reporting AI/LC/AMB in the data field “Entity responsible for reporting” which has the reporting obligation under the Reporting Rules, (ii) the identifying information of the affiliate in the data field “Counterparty 1” and (iii) the identifying information of the party submitting the trade report in the data field “Submitter Identifier”. Reporting entities should refer to the instructions in this SRI and the detailed description of the gazetted data fields in order to provide the correct information for each data field.

D.3.4 Data fields “Counterparty 1”, “Counterparty 2” and “Booking location”

119. The data field “Booking location” should be completed with reference to the trade party reported in “Counterparty 1”. As such, a reporting entity is only required to fill out the data field “Booking location” in relation to the trade party it is reporting for but not the other counterparty to the transaction.

D.3.5 Data field “Counterparty 2 name”

120. This data field is only required if the identifier reported for Counterparty 2 is not an LEI or a SWIFTBIC, in which case the legal name of Counterparty 2 should be reported in this data field.

D.3.6 Data fields relating to Names

121. Reporting entities are reminded to provide the registered legal name of the party in full. For example, “Bank of XX” is not acceptable, but should be entered as “Bank of XX, Limited (The)”.

D.3.7 Data fields “Nature of the counterparty 1” and “Nature of the counterparty 2”

122. When the nature of the counterparty is determined to be a financial counterparty, reporting entities should further classify its nature into one of the listed categories below. Reporting entities should adopt the general concept of these industry sectors on a reasonable basis (disregarding any authorisation in any particular jurisdiction), despite the definition of these classification may vary across jurisdictions,

- AIFD = Alternative Investment Fund
- ASSU = Assurance Undertaking
- CCPS = Central Counterparty
- CSDS = Central Securities Depository
- CDTI = Credit Institution
- INUN = Insurance Undertaking
- INVF = Investment Firm
- ORPI = Occupational Retirement Provision Institution
- OTHR = Other (to be populated when the nature of the counterparty does

not fit into any other available field values)

- REIN = Reinsurance Undertaking
- UCIT = UCITS Management Company

123. When the nature of the counterparty is determined to be a non-financial counterparty, reporting entities should further classify its nature into one of the listed categories below:

- ‘A’ - Agriculture, forestry and fishing;
- ‘B’ - Mining and quarrying;
- ‘C’ - Manufacturing;
- ‘D’ - Electricity, gas, steam and air conditioning supply;
- ‘E’ - Water supply, sewerage, waste management and remediation activities;
- ‘F’ - Construction;
- ‘G’ - Wholesale and retail trade, repair of motor vehicles and motorcycles;
- ‘H’ - Transportation and storage;
- ‘I’ - Accommodation and food service activities;
- ‘J’ - Information and communication;
- ‘K’ - Financial and insurance activities; (not applicable to HKTR reporting. If the major activity that the counterparty participates is financial /insurance, one of the allowable values under the financial counterparty should be populated)
- ‘L’ - Real estate activities;
- ‘M’ - Professional, scientific and technical activities;
- ‘N’ - Administrative and support service activities;
- ‘O’ - Public administration and defence; compulsory social security;

- ‘P’ - Education;
- ‘Q’ - Human health and social work activities;
- ‘R’ - Arts, entertainment and recreation;
- ‘S’ - Other service activities;
- ‘T’ - Activities of households as employers; undifferentiated goods – and services – producing activities of households for own use;
- ‘U’ - Activities of extraterritorial organizations and bodies.

124. To avoid doubt, when reporting the category of the nature of the non-financial counterparty, only the block letter representing the sector has to be populated, as opposed to the full name of the sector.
125. In cases where the concerned counterparty engages in more than one activities, reporting entities are expected to populate the major activity the counterparty participates in on a reasonable basis.

D.3.8 Data field “Direction 1”, “Direction 2 - Leg 1” and “Direction 2 - Leg 2”

126. The data field “Direction 1” indicates whether the “Entity responsible for reporting” is the buyer or seller in a transaction. “Direction 2 - Leg 1” indicates whether the “Entity responsible for reporting” is the payer or receiver of Leg 1 in a transaction, and “Direction 2 - Leg 2” indicates the opposite for Leg 2 in the transaction. A value must be reported for either the data field “Direction 1” or both data fields “Direction 2 - Leg 1” and “Direction 2 - Leg 2”, as each of them is applicable for certain types of OTC derivatives.
127. Generally speaking, “Direction 1” is applicable for OTC derivatives where it is widely understood that a buyer and seller can be readily identified. On the other hand, “Direction 2 - Leg 1” and “Direction 2 - Leg 2” should be reported for “leg-based” OTC derivatives where a value is not reported for “Direction 1”. For

D.4.3 Data fields “Indicator of the floating rate - Leg 1” and “Indicator of the floating rate - Leg 2”

131. When populating these two fields, the ExternalBenchmarkCurveName1Code list from ISO 20022's Inventory of External Code Sets should be used to indicate the floating rate index. If the index is not included in the list, “OTHR = OTHER” should be reported. The full name of the floating rate should then be populated in the fields “Name of the floating rate - Leg 1” and/or “Name of the floating rate - Leg 2”.

D.5 Information and particulars relating to the execution of the transaction

D.5.1 Data field “Execution timestamp”

132. The data field “Execution timestamp” is mandatory. UTC should be used by reporting entities when reporting in the “Execution timestamp” data field. Similar requirements are found in other reporting regimes. We accept that the 'trade input time' can be used as a proxy for the field “Execution timestamp” as long as the reporting entities have in place a robust internal control process to ensure all executed trades are inputted into their systems within a reasonable time. Other proxies including 'the time of trade creation' and, if the trade is executed via a broker, the printed time or time stamp on the broker's confirmation are also acceptable. Please note that this field is not a matching data field (i.e., reporting parties do not have to agree with their counterparties on the value for input).

D.6 Particulars of identifying references assigned to the transaction

D.6.1 General

133. Different identifiers are collected for different purposes by data fields such as “Unique Transaction Identifier (UTI)”. Reporting entities should populate the data fields with the relevant details from their trades according to the description of each data field. For any trades which are associated with an older trade, for

instance, in cases of novation, exercise or expiry of option and centrally cleared transactions, where a relevant Prior UTI exists, the input should be provided in the data field “Prior UTI”.

D.6.2 Data field “Package identifier”

134. The “Package identifier” field should be determined by the reporting party and submitted as a unique identifier to connect two or more reports belonging to the same derivative contract when the reporting requirement does not allow to submit the details within a single report. It should also be used when the package transaction is composed of a combination of derivative contracts that are negotiated together as the product of a single economic agreement. For the avoidance of doubt, this field is not applicable when no package is involved in the transaction or in the case of allocations.
135. Additionally, this field should not be confused with the field “Swap Link ID”, which is used to link the Near Leg and Far Leg of an FX Swap whenever applicable.

D.6.3 Data field “Prior UTI”

136. A non-UTI format in this data field is allowed, hence when a legacy trade does not have a UTI, reporting entities may populate either a USI or TID in this data field. In cases where both USI and TID are available, reporting entities may elect to populate this field with either one of them.

D.7 Information and particulars relating to the valuation of the transaction

137. When reporting information relating to the valuation of a transaction, reporting entities should populate the mandatory data fields “Valuation timestamp”, “Valuation amount”, “Valuation currency” and “Valuation method”. When reporting the data field “Valuation method”, if the reported transaction is centrally

cleared, the reporting entity should select the value “central counterparty’s valuation ” for the data field; if the valuation is mutually agreed between the two counterparties to the trade, even if the mutually agreed valuation comes from marking to model, the value “mark-to-market” should be selected; if the valuation is based on internal references, the value “mark-to-model” should be selected. Reporting entities have the option to report internal valuations first where valuations are not agreed within T+2, thereby reporting the value “mark-to-model” in the “Valuation method” data field, and to update the field value to “mark-to-market” if and when subsequently the reporting entities reached a mutually agreed valuation with their counterparties. However, it is not required for the reporting entities to retrospectively amend the previously provided valuation figures owing to such subsequent mutual agreement. Discrepancies in valuations are also allowed, as long as they are in line with the threshold stipulated by the Risk Mitigation Standards (RMS).” The RMS can be found in the Supervisory Policy Manual (SPM) module CR-G-14 “Non-centrally Cleared OTC Derivatives Transactions – Margin and Other Risk Mitigation Standards” issued by the Hong Kong Monetary Authority. For transactions not covered by the RMS, reporting entities are also recommended to refer to the guidance stipulated by the RMS, although it is not a mandatory requirement.

138. When reporting the valuation of a FX swap, the valuations of the near leg and the far leg have to be reported separately as they are broken down for reporting as separate trades as highlighted in paragraph 104 above.

D.8 Information and particulars relating to the collateral of the transaction

D.8.1 Data fields “Initial margin collateral portfolio code” and “Variation margin collateral portfolio code”

139. When reporting a collateral portfolio which does not distinguish between Initial Margin (IM) and Variation Margin (VM), the data fields “Initial margin collateral portfolio code” and “Variation margin collateral portfolio code” do not need to be reported. Instead, the data field “Collateralisation category” should be reported

as one of “PRCL”, “PRC1” or “PRC2”, which are the collateralisation codes consistent with reporting undistinguished margin as a VM amount. The reporting entity should then report the undistinguished margin amount within the data fields “Variation margin collected by the counterparty 1 (pre-haircut)” and “Variation margin collected by the counterparty 1 (post-haircut)”.

D.8.2 Data fields related to collateral haircut

140. Data fields related to the haircut of a collateral are required whenever a transaction is collateralised, regardless of whether it is done on a portfolio basis. They should be provided according to the “Collateralisation category” reported for collateral portfolio(s), or the transaction if the collateralisation is not done on a portfolio basis.

D.8.3 Data field “Portfolio containing non-reportable component indicator”

141. This data field relates to either one or both of the data fields “Initial margin collateral portfolio code” and “Variation margin collateral portfolio code”. If the collateral is reported on a portfolio basis and either one or both of the IM / VM collateral portfolios include(s) swap transactions exempt from reporting, this field should be reported as “true”, otherwise, it should be reported as “false”.

Annex 1 – Flowchart for re-reporting scenarios of live legacy trades

