



8 April 2016

The Chief Executive  
All Regulated Entities

Dear Sir/Madam,

**OTC Derivatives Trade Repository of the HKMA**

**The Training, Testing and Billing Arrangement for the use of the  
electronic reporting system**

Further to my letter of 27 Oct 2015 advising on the training and testing schedule of the over-the-counter (OTC) derivatives trade repository of the HKMA (HKTR) for the first half of 2016, I am writing to advise on the schedule for the second half of 2016. Also, you may be aware that the Securities and Futures (OTC Derivative Transactions Reporting Obligation-Fees) Rules (TR Fees Rules), which were tabled at the Legislative Council for negative vetting, will come into operation on 1 May 2016. Below please find the detailed billing arrangement for your information.

**Billing Arrangement**

Further to my letter of 29 December 2015 advising on the settlement arrangement for fees and charges for making use of the Reporting Service, the billing arrangement is as follows.

(a) A demand note stating the total amount of fees payable will be issued to Members on the 2nd business day of the following month to the contacts specified by Members.

(b) The total fees will be automatically debited from the autodebit accounts authorised by Members (as at the completed Direct Debit Authorisation (DDA) form) on the 7th business day from the date of the demand note is issued. Please ensure sufficient funds are available for the settlement.

(c) Autodebit transactions will be notified to Members via agreed means (e.g. bank statements) between the Members and their appointed autodebit facility providing banks in Hong Kong.

TR Members are required to provide their authorisations, autodebit accounts and payment limits by completing the DDA form available at: <https://hktr.hkma.gov.hk>. TR Members should submit the completed DDA forms to their appointed banks and copy to the HKTR.

### **Training and testing for use of the electronic reporting system**

The Securities and Futures Commission (SFC) and the HKMA have jointly announced earlier that the mandatory reporting requirements under the new OTC derivatives regime would take effect from 10 July 2015. Regulated entities subject to the requirements (i.e. Authorized Institutions, Approved Money Brokers, Licensed Corporations and Central Counterparties operating in Hong Kong) would have six months (i.e. ending on 10 Jan 2016) to prepare for reporting from the effective date of the new regime, and backloading of trades is required to be completed within nine months (i.e. ending on 10 Apr 2016) from the effective date.

Regulated entities are required to sign up for the reporting service of the HKTR and complete a simulation test (including for entities intending to report via an agent) before they will be accepted for reporting. The schedule for the training sessions and simulation tests of the HKTR in the second half of 2016 is set out in the enrolment forms attached to this letter. Regulated entities should consider, within the timeframe allowed by the new OTC derivatives regime, the time for them to commence reporting, and ensure they will sign up for the reporting service and complete a simulation test in time. Nevertheless, regulated entities are encouraged to participate in a simulation test as early as possible, to allow more time for them to get ready for reporting, including to resolve any reporting issues uncovered during the simulation test. For the avoidance of doubt, entities that had signed up for the reporting service and completed a simulation test for reporting under the Interim Reporting Requirements (applicable only to Licensed Banks) introduced by the HKMA in August 2013 are not required to sign up again and complete another simulation test for the purpose of reporting under the new OTC derivatives regime.

For regulated entities intending to report through an agent, they must make sure that their agents will meet all technical requirements specified by the HKTR in time and they must test the trade submission process with their agents prior to reporting. A declaration form on the readiness of reporting via an agent is required to be filed with the HKTR before the agent will be accepted for reporting for an entity. Please also note that reporting via an agent by an Authorized Institution may constitute an outsourcing arrangement requiring prior approval of the HKMA. Authorized Institutions may check with their usual supervisory contacts at the HKMA on the approval arrangement.

If you have any enquiries, please contact the HKTR at (852) 8100 3115 or e-mail to [hktr@hkma.gov.hk](mailto:hktr@hkma.gov.hk).

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Stanley Chan', with a long horizontal flourish extending to the right.

Stanley Chan

Head, Payment Systems Operation Division  
Financial Infrastructure Department

## **Enrolment form for User Training of the HKTR Reporting Service**

Name of institution: \_\_\_\_\_

TR Member code (if applicable): \_\_\_\_\_

### **Training sessions for the second half year of 2016**

*(Please tick the applicable session)*

	Date	Time	Language#	Venue	Enrolment cut-off
<input type="checkbox"/>	3-Aug-2016	14:30 – 18:00	English	HKMA Office*	27-Jul-2016
<input type="checkbox"/>	26-Oct-2016	14:30 – 18:00	English		19-Oct-2016

#Video demonstration (English and Cantonese) on the use of the Reporting Service can be downloaded from the website of the HKTR

\*Venue: HKMA office, 55/F Two International Finance Centre, Central, Hong Kong

My institution would like to nominate the following officers to attend the training session selected above:

Name	Telephone	Email

Note: Priority will be given to institutions that have signed the Reporting Service Agreement. If the number of enrolled participants exceeds the capacity of the session, additional sessions may be arranged, and the enrolled participants will be advised accordingly.

*(Please complete and return this form to the HKTR by fax to (852)2878-1679 or by e-mail to [hktr@hkma.gov.hk](mailto:hktr@hkma.gov.hk) on or before the respective enrolment cut-off dates)*

**Enrolment form for Simulation Test of the HKTR Reporting Service**

Name of institution: \_\_\_\_\_

TR Member code (if applicable): \_\_\_\_\_

The Simulation Test is composed of two parts: (i) Scenario Test and (ii) Product Specific Test. A participant **MUST** select one asset class and follow the schedule set by the HKMA to complete the Scenario Test, the Product Specific Test can be completed according to the own schedule set by the participant. The Simulation Test package can be downloaded in the HKTR Info Page at <https://hktr.hkma.gov.hk/>

**Simulation Tests Schedule for the second half year of 2016**

*(Please tick the applicable period and one applicable asset class)*

	Simulation Test Sessions	Enrolment cut-off
<input type="checkbox"/>	15-Aug-2016 to 19-Aug-2016	5-Aug-2016
	<input type="checkbox"/> Interest Rate Derivatives <input type="checkbox"/> Foreign Exchange Derivatives	
<input type="checkbox"/>	07-Nov-2016 to 11-Nov-2016	28-Oct-2016
	<input type="checkbox"/> Interest Rate Derivatives <input type="checkbox"/> Foreign Exchange Derivatives	

My institution will participate in the simulation test in above selected period. Please contact the following officers of our institution for system and logistical arrangements:

Name	Telephone	Email

*(Please complete and return this form to the HKTR by fax to (852)2878-1679 or by e-mail to [hktr@hkma.gov.hk](mailto:hktr@hkma.gov.hk) on or before the respective enrolment cut-off dates)*