



Our Ref: B9/135C

2 August 2013

The Chief Executive  
All Licensed Banks

Dear Sir/Madam,

**Interim Reporting Requirements for OTC derivative transactions**

I refer to our letter of 28 June 2013 setting out interim reporting requirements for OTC derivative transactions that will take effect from 5 August 2013. For the purpose of reporting OTC derivative transactions, all licensed banks have been required to join the local trade repository operated by the HKMA (HKMA-TR) as members before 5 August 2013. We have however recently received feedback from the industry that some banks may need more time to seek the necessary internal approvals required for entering into the reporting service agreement (RSA) with the HKMA-TR.

Taking into account the practical needs of the industry, I am writing to advise that the deadline for banks to become HKMA-TR members is now extended to 5 September 2013. Notwithstanding this extension of deadline, banks should still make their best effort to enrol as HKMA-TR members by signing the RSA as soon as possible. If your bank will only be in a position to sign the RSA and become an HKMA-TR member after the original deadline of 5 August 2013, please inform your usual contact at the HKMA of this, and provide an indication of the expected date upon which your institution will join the HKMA-TR.

Obviously, in light of the above extension, not all licensed banks will have signed the RSA, and thereby consented to the reporting of trade data to the HKMA-TR by their licensed bank counterparties, before the revised deadline of 5 September 2013. Accordingly, banks that intend to report OTC derivative transactions to the HKMA-TR during the period from 5 August 2013 to 4 September 2013 must undertake their own due diligence to ensure that any data confidentiality issues are duly addressed, and that any consents required for the reporting of the trade data to the HKMA-TR are obtained.

Should your bank have any questions regarding the contents of this letter, please contact Andy Cheung on 2878-1022 or Ms Rita Yeung on 2878-1388.

Yours faithfully,

Karen Kemp  
Executive Director (Banking Policy)

cc. Financial Services and the Treasury Bureau  
(Attention: Mr Jackie Liu)