

HSBC Private Bank

19 August 2014

We would like to seek clarifications on the following issues: - During the current interim period, intra-desk trade on reportable products within an AI (e.g. IRS/NDF trade between Private Bank and Global Market) are exempted from reporting, will that continue? - Is discretionary (page 3, 12 (c)), who may engage in derivatives for portfolio hedging, also become in-scope for trade reporting? If yes, i) will counterparty side trade reporting subject to the same exemption as mentioned above; ii) is client side in the discretionary program also subject to reporting and the relevant exemption (threshold US\$3 billion for IRS and US\$1 billion for NDF)?