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23 December 2014

Dear Sirs

Consultation Conclusions and Further Consultation on the Securities and Futures (OTC Derivative Transactions – Reporting and Record Keeping Obligations) Rules

The International Swaps and Derivatives Association, Inc. [1] ("**ISDA**") welcomes the opportunity to respond to the consultation conclusions and further consultation on the Securities and Futures (OTC Derivative Transactions – Reporting and Record Keeping Obligations) Rules ("**Consultation Paper**") issued by the Hong Kong Monetary Authority ("**HKMA**") and the Securities and Futures Commission ("**SFC**") on 28 November 2014.

ISDA is actively engaged with providing input on regulatory proposals in the United States, Canada, the European Union and Asia. Our response is derived from this international experience and dialogue in addition to consultation with ISDA members operating in the Asia Pacific region. We hope to assist the HKMA and the SFC in developing a mandatory reporting regime for Hong Kong which achieves your policy objectives and is in alignment with the mandatory reporting regimes being introduced in comparable leading financial centres.

ISDA commends the HKMA and the SFC for their careful consideration of the issues involved in implementing the G20 commitments regarding mandatory reporting of OTC derivative transactions. We strongly support the objectives to improve overall transparency and strengthen market stability in the Hong Kong OTC derivatives market.

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[1] Since 1985, ISDA has worked to make the global over-the-counter (OTC) derivatives markets safer and more efficient. Today, ISDA has over 800 member institutions from 64 countries. These members include a broad range of OTC derivatives market participants including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure including exchanges, clearinghouses and repositories, as well as law firms, accounting firms and other service providers. Information about ISDA and its activities is available on the Association's web site: www.isda.org.

We are appreciative of the opportunities which have been given to the industry to provide further input on the revised draft rules ("**Draft Rules**") contained in the Consultation Paper. We hope to continue the dialogue between the industry and the HKMA and the SFC to develop best practices and address any implementation issues that may arise from trade reporting.

This Response sets out our comments in relation to the matters set out under paragraph 119 of the Consultation Paper, as well as several other matters identified by our members. While our members have sought to form a consensus on the issues raised in this Response, there are certain points on which individual members may have formulated their own views. This Response represents the majority view of the industry on the issues covered, and certain members may provide their comments to the HKMA and the SFC independently.

Terms defined or given a particular construction in the Consultation Paper have the same meaning in this Response unless a contrary indication appears.

RESPONSE TO SPECIFIC MATTERS RAISED IN THE CONSULTATION PAPER

1. REPORTING OF VALUATION TRANSACTION INFORMATION

1.1 The industry recognises the importance of introducing reporting of valuation transaction information to allow regulators to assess the exposure of reporting entities in respect of reportable transactions. We welcome the HKMA and the SFC's proposals on valuation reporting in the Consultation Paper, and set out below our members' observations in relation to the information contained in paragraphs 122 to 125 of the Consultation Paper.

General observations

1.2 *Alignment with international standards*: We strongly commend the HKMA and the SFC for engaging in international regulatory coordination and collaborative efforts with regulators of other jurisdictions regarding the introduction of a mandatory reporting regime. This has been instrumental in assisting our members in implementing a cost-effective and practical reporting system across different jurisdictions. For the reporting of valuation transaction information, we would encourage alignment to the extent possible with trade reporting regimes that have already implemented mandatory reporting of such information (such as the European Union, Australia and Singapore).

1.3 *Avoiding overlap in timing*: As valuation reporting requires a substantial amount of preparation to a reporting entity's operating system prior to reporting such information, we would encourage the HKMA and the SFC to adopt an implementation date (currently proposed to be Q1 2016) that does not overlap with either (a) any expansion of the scope of interim reporting or mandatory reporting in Hong Kong to other product types and (b) the start date for any new reporting obligations under other Asia Pacific jurisdictions (such as Singapore and/or Australia).

1.4 *Further consultation*: It is the industry's position that there are many outstanding issues in relation to valuation reporting, some of which are outlined below. These issues must be addressed prior to its implementation. We strongly recommend that a further consultation specifically for valuation reporting be conducted early next year on the detailed rules before the implementation of the valuation reporting requirement. In particular, additional information on the type of valuation data that needs to be reported would be useful to assist industry members in preparing for this requirement. Our members encourage the HKMA and the SFC to develop a simplified reporting template for valuation transaction information.

Valuation reporting for reportable transactions cleared through a CCP

1.5 In relation to reportable transactions that are cleared through a CCP, members are concerned that a CCP's valuation determination may not be available to reporting entities in time for them to report this to the HKMA trade repository ("**HKMA-TR**") on a T+2 basis. Even though a transaction may be cleared through a CCP, market participants will generally conduct their own in-house valuation of this transaction before they receive the valuation report from the CCP or the clearing broker (as the case may be). Our members therefore suggest that either (a) reporting entities use their own in-house valuations for the purposes of satisfying valuation reporting for

cleared transactions on a T+2 basis or (b) reporting entities conduct valuation reporting on the basis of the CCP's valuation determination, but this information will be reported on a T+2 basis from the date on which the CCP or the clearing broker (as the case may be) actually provides such information to the reporting entity.

Valuation reporting for non-centrally cleared reportable transactions that involve exchange of margin

1.6 Members expressed concern about the proposed methodology for valuation reporting of non-centrally cleared transactions that involve exchange of margin. Generally, under an ISDA Credit Support Document[2], each counterparty will determine the value for the relevant portfolio of transactions, and the counterparty with exposure can make a demand on the other counterparty for collateral. It is not uncommon for the valuation made by the valuation agent to be disputed, and market practice normally involves resolving any material differences through the dispute resolution procedure set out in the relevant ISDA Credit Support Document.

1.7 We consider that it will be difficult to adapt the market practice described above for the purposes of valuation reporting for the following reasons:

1.7.1 exchange of margin for non-centrally cleared reportable transactions may not be conducted on a daily basis, whereas we understand that the HKMA and the SFC would like to obtain valuation transaction information on a daily basis;

1.7.2 in case there is a dispute, the counterparties may not be able to agree on a valuation within the T+2 timeline necessary to comply with their valuation reporting obligations under the Draft Rules[3]; and

1.7.3 valuations are determined for the relevant portfolio of derivative transactions between the counterparties (rather than for individual transactions) and counterparties may not seek to agree valuations for each individual transaction even where there is disagreement (or if they do reconcile on a transaction by transaction basis, this may not be done routinely).

The industry is concerned that a requirement to agree the valuation for each non-centrally cleared reportable transaction involving exchange of margin may impose significant burdens on market participants to amend their margining arrangements, and we propose that each reporting entity be allowed to report their in-house valuation for each transaction without the need to agree such valuation with their counterparty.

Valuation reporting for non-centrally cleared reportable transactions that do not involve exchange of margin

1.8 In relation to non-centrally cleared transactions that are not margined, our members note that the proposed methodology is inconsistent with the corresponding

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[2] According to the latest ISDA margin survey, at the end of 2013, roughly 87% of collateral agreements in respect of non-cleared OTC derivatives are ISDA agreements. See http://www2.isda.org/functional-areas/research/surveys/margin-surveys/

[3] The ISDA Credit Support Documents contain a dispute resolution provision that generally allows up to two business days for the parties to resolve disagreements in relation to valuation

requirement under the European Market Infrastructure Regulation ("**EMIR**"). As valuation transaction information is categorized as "counterparty data" under EMIR, each counterparty is open to arrive at its own valuation for each relevant transaction. In other words, reporting entities are not required to agree a methodology for valuation of non-centrally cleared transactions that are not margined. Our members are not aware of any comparable jurisdiction that mandates valuation reporting for such transactions based on methodology agreed between the counterparties. We therefore encourage the HKMA and the SFC to align the rules for valuation reporting with respect to these transactions with that of EMIR.

2. PRESCRIPTION OF JURISDICTIONS FOR THE MASKING RELIEF

Additional jurisdictions for prescribed list

2.1 We appreciate the opportunity to provide suggestions to the HKMA and the SFC on additional jurisdictions to include in the list set out under paragraph 126 of the Consultation Paper, and have included in our Response (under **Appendix 1**) a list of additional jurisdictions where the reporting of counterparty identifying information is prohibited under the laws of that jurisdiction, or by the authorities or regulators in that jurisdiction. This list has been compiled based on extensive research conducted by our members in preparation for their mandatory reporting obligations globally and is in alignment with the prescribed lists prepared for other jurisdictions (such as Australia[4]).

Procedure for inclusion of new jurisdictions on prescribed list

2.2 Members understand that, as set out under paragraph 126 of the Consultation Paper, the SFC will, with the consent of the HKMA, designate jurisdictions for the purposes of the masking relief. The industry is concerned about the process through which new jurisdictions may be added to this list and would like to seek further clarification from the HKMA and the SFC. As market participants may expand their OTC derivatives activity to new jurisdictions in the future, some of which may prohibit the reporting of counterparty identifying information, the process through which masking relief becomes available for new jurisdictions is important for conducting OTC derivatives in such markets. It would be helpful for regulators to provide additional information on:

2.2.1 the process through which market participants may petition the HKMA and/or the SFC for additional jurisdictions to be added to this list;

2.2.2 the supporting documents (such as a reasoned legal opinion) needed to justify the addition of a new jurisdiction; and

2.2.3 the timing requirements for completing the addition of a new jurisdiction to the prescribed list.

Exemption from restrictions on disclosure of information in relation to Hong Kong entities

2.3 The industry understands that under the Draft Rules, there is no exemption for reporting entities against any breach of any restriction on disclosure of information

[4] ASIC's prescribed list is set out in ASIC Instrument [14/0952].

imposed by contract or by any legislative, regulatory or administrative provision under Hong Kong law. For reporting entities trading with counterparties established in Hong Kong, an exemption would significantly reduce the administrative burden associated with obtaining consent from each Hong Kong counterparty and would be in line with regulations adopted in other jurisdictions[5]. In particular, this exemption should cover where reporting entities are reporting through a third party service provider approved by the HKMA-TR as well.

3. PRESCRIPTION OF MARKETS AND CLEARING HOUSES

Additional markets and clearing houses for prescribed list

3.1 We have included in our Response (under **Appendix 2**) a list of additional markets and clearing houses that we propose to be added to the existing list. It is submitted that the proposed additional markets and clearing houses comply with the requirements set out in Paragraph 131 of the Consultation Paper, although not all of the information requested by the HKMA and the SFC has been compiled due to the deadline for submitting this Response. If further information is required in relation to any of the entries, please do not hesitate to contact us and we can provide you with the necessary additional details.

Procedure for inclusion of new markets and clearing houses on prescribed list

3.2 While members appreciate that the Securities and Futures (Amendment) Ordinance hardwires the approach of setting out a list of markets and clearing houses to delineate between listed derivatives and OTC derivatives, we note that this method will require careful periodic maintenance of the list. Our understanding is that the list will be updated pursuant to Section 392A of the Securities and Futures Ordinance ("**SFO**"), which provides that the Financial Secretary may do so by publishing a notice in the Gazette.

3.3 It is the concern of the industry that the mechanism under Section 392A of the SFO lacks accessibility and clarity, specifically in terms of who is responsible for submitting amendment requests to the Financial Secretary and what documents are required. The industry would welcome additional details on the formal process involved and a timeframe for market participants to prepare for any additions or removals from this list. In addition, we encourage the HKMA and the SFC to address the issue that markets and clearing houses may undergo name and ownership changes which will need to be reflected in the list.

3.4 Members note that where a listed derivative is not excluded from the definition of "OTC derivative product" as a result of any delay in including the relevant market and/or clearing house on the list, it may not be possible to report the listed derivative as the reporting fields mandated by HKMA-TR are designed for OTC derivative transactions.

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[5] See, for example, Article 9(4) EMIR.

Clarification for certain types of transactions

3.5 In addition to our other comments on this topic, our members would like to ask for additional clarification from the HKMA and the SFC on the proposed treatment of the following types of transactions:

3.5.1 futures and options contracts which are traded 'off market' but then registered on the relevant market and cleared at the relevant CCP in the same way as contracts executed on market (e.g. privately negotiated block trades executed in accordance with exchange rules or certain exchange for physical transactions involving futures and/or options); and

3.5.2 'back-to-back' transactions with clearing brokers that represent indirect exposures to futures or options contracts and which may arise automatically or under the terms of a contract where the broker executes a futures or options contract on the relevant market on behalf of a client but assuming a principal to principal relationship with the CCP upon clearing.

3.6 To the extent that any of these types of transactions become reportable due to the manner in which listed derivatives are excluded from the definition of "OTC derivative product", it is submitted that reporting entities will not be able to report these transactions using the same reporting fields as for OTC derivative transactions.

Definition for "listed derivatives"

3.7 The industry understands that the definition of "OTC derivative product" is hardwired in the legislation, but nevertheless we would request the HKMA and the SFC to continue to monitor potential issues arising from using a static 'list' approach. In particular, our members highlight that comparable jurisdictions have used a different approach to exclude listed derivatives from mandatory reporting.

3.8 We remain of the view that the more appropriate manner to exclude listed derivatives from being unintentionally captured by the mandatory reporting regime in Hong Kong would be to provide a definition of "listed derivatives" which is excluded from the definition of "OTC derivative product". For example, a "derivatives contract" in Singapore is specifically defined in the Securities and Futures Act as excluding a "futures contract", and this approach could be adopted in Hong Kong as the SFO also contains a definition of "futures contract".

OBSERVATIONS ON OTHER MATTERS IN THE CONSULTATION PAPER

4. OTHER MATTERS

4.1 Whilst we appreciate that the Consultation Paper did not specifically request industry feedback on other matters, our members would like to take this opportunity to make certain observations in relation to the Draft Rules.

Concession period and start date for reporting of nexus transactions

4.2 We understand that, whilst the concession period has been extended to 6 months, reporting entities will nevertheless be required to capture data relating to nexus transactions from the date the Hong Kong mandatory reporting rules come into effect

(currently anticipated to be Q1 2015). Our members have highlighted that this requirement will effectively negate the benefits derived from the 6 month concession period as systems will need to be in place by Q1 2015 in order to capture nexus transactions at the point of execution. For a large number of reporting entities, it is not possible to commence development of operational systems to capture nexus transactions until the final rules and guidance is available. This issue is exacerbated by the fact that paragraph 47 of the Consultation Paper appears to reject the approach adopted in relation to nexus transactions in Singapore, and will prevent reporting entities from leveraging off any preparatory work done in relation to capturing nexus transactions under the Singapore reporting regime[6].

4.3 Following the publication of the final rules and guidance for the reporting of nexus transactions, the industry strongly encourages the HKMA and the SFC to provide sufficient time before reporting entities are required to capture data relating to these transactions. In particular, we propose that reporting entities are required to capture data relating to nexus transactions only from the end of the concession period. Our members submit that this would ensure consistency between Hong Kong and Singapore in relation to implementation of the reporting requirement for nexus transactions. We note that reporting of nexus transactions in Singapore will not commence until 1 November 2015 at the earliest (with no backloading requirement).

4.4 It would also be very helpful if the regulators could provide reporting entities with an indication of when the final guidance (which we understand will be in the form of frequently asked questions) will be available. For example, our members would like to receive additional information on what constitutes "key economic terms" in the context of nexus transactions entered into on an electronic trading platform. It would be helpful if this could be clarified in the form of a list of terms that the regulators consider to be "key economic terms".

Corporate fund affiliates

4.5 The industry strongly supports the deferment of reporting for fund managers and looks forward to assisting the HKMA and the SFC in developing practical solutions to the problems identified in relation to reporting by such entities. Whilst we agree that, in the vast majority of cases, a fund will not be an affiliate of its fund manager (as stated under paragraph 47 of the Consultation Paper), it is submitted that in certain cases, corporate funds may be inadvertently caught under the proposed definition for "affiliate" and therefore the relevant transactions may be captured as nexus transactions.

4.6 In particular, industry members have highlighted that for certain funds in the form of corporations, its fund manager or an affiliate of the fund manager may control directly or indirectly the majority of the composition of the board of directors (even when the fund manager or an affiliate does not beneficially own the majority of the fund). Based on our understanding, this is sufficient for the fund and the fund manager to be affiliates under the Draft Rules. As a result, where the fund manager's trader is based in Hong Kong and enters into a transaction on behalf of the fund, such transaction would be reportable as it is "conducted in Hong Kong". We understand that it is not

[6] We have made separate observations on the scope of "conducted in Hong Kong" below.

the HKMA and the SFC's intention to capture these transactions for reporting at this stage and would encourage the Draft Rules to be clarified such that a fund will not be an affiliate of a fund manager on the basis that the fund manager or an affiliate of the fund manager may control the majority of the composition of the board of directors of the fund.

Recordkeeping obligation

4.7 The industry notes that there are material differences between the recordkeeping obligation proposed under the Draft Rules and those imposed by other jurisdictions. For example, the record retention period under the Draft Rules is five years from the termination or maturity of the relevant transaction, whereas under Dodd Frank, the record retention period is five years from the date that the record is created. It is submitted that, at present, no known system is able to automatically make a distinction with respect to the length of time each record should be retained. To avoid inadvertently breaching the record keeping requirements, the practical result for market participants would be that records are retained indefinitely to avoid deletion prior to the permitted date, which would impose significant costs for the relevant entities.

4.8 Furthermore, the Draft Rules require market participants to keep records of communications leading up to entry into the relevant transactions, whereas EMIR does not impose an equivalent requirement. We note that the recordkeeping requirement in Singapore under the Securities and Futures (Reporting of Derivatives Contracts) Regulations 2013 is applicable only to trade reporting and the general intention is for market participants to ensure that records are in place to evidence that the mandatory reporting obligation has been complied with. The industry would strongly encourage the HKMA and the SFC to align the recordkeeping obligations imposed in Hong Kong with those imposed in other comparable jurisdictions.

4.9 Members understand the desire for records to be readily accessible and searchable by reference to the transaction and the counterparty. However, we would highlight that, in addition to audio records, there are other communication records (such as messenger and e-mail systems) which generally does not specify transaction references or counterparty IDs in their data structures. As a result, market participants would be required to modify such data structures (and related procedures) to ensure the correct information is stored in order to facilitate searches. Our members have highlighted that limitations in current technology will make it practically and logistically very difficult to develop this sophisticated system at any near point in time. If this requirement were to be enforced, it is submitted that market participants could only comply by manually adding transaction references and counterparty IDs to each particular record, which would incur substantial costs and administrative burden. It should be noted that in some cases (such as platforms provided by Reuters and/or Bloomberg); market participants do not have the authority to modify the system and therefore cannot satisfy the requirements set out under the Draft Rules.

4.10 Accordingly, the industry submits that the requirement for records to be "readily accessible and searchable" may need to be deferred until the regulators and market participants have had additional time to consider how this obligation may be fulfilled in a practical and cost effective manner within a realistic timeframe.

"Conducted in Hong Kong"

4.11 Members are generally supportive of amending the phrase "substantial part of his or her duties in Hong Kong" to "predominantly based in Hong Kong". The industry understands that the HKMA and the SFC will provide further clarification on the phrase "to perform his or her duties ***predominantly*** in Hong Kong" (emphasis added) in due course in the form of frequently asked questions and we would welcome the opportunity to engage with the regulators on the development of this document.

Exempt persons

4.12 In relation to Rule 3 (*Meaning of exempt person*) of the Draft Rules, our members would like to confirm whether the notional calculation in relation to a multi-branch entity is based only on transactions booked in the Hong Kong branch.

Reporting of centrally cleared transactions

4.13 Members note that paragraph 84(b) of the Consultation Paper states that "for an NDF transaction that is subsequently cleared by a CCP, it will be necessary for that entity to update the previously reported trade as terminated, and to report the new trade facing the ***CCP or the clearing service provider***" (emphasis added). This suggests that either the CCP or clearing service provider may be treated as the "counterparty" for reporting purposes. The industry would like to seek clarification from the HKMA and the SFC that under the mandatory reporting regime in Hong Kong, the "counterparty" in respect of a cleared transaction should be (a) the CCP where an agency clearing model is used and (b) the clearing service provider where a principal to principal clearing model is used.

4.14 We understand that this proposal seems to differ from the interim reporting regime (under which the CCP is treated as the "counterparty" for reporting purposes at all times), and assume that this change has been introduced to reflect the fact that reporting entities may enter into transactions which are cleared through different clearing models.

Transaction identifiers

4.15 We are supportive of the HKMA and the SFC's proposals under paragraph 83(e) of the Consultation Paper to allow the use of USI and/or TID for the purposes of reporting in Hong Kong. As certain members have commenced operational preparations on the basis that the USI and TID will be usable, we therefore strongly encourage the HKMA and the SFC to implement the proposals set out in the Consultation Paper in this respect.

4.16 The industry would be grateful for clarification from the regulators on whether shared and paired transaction identifiers are required, and if so, the date from which this requirement will be imposed. If it becomes mandatory for reporting entities to have shared and paired transaction identifiers, please clarify whether the HKMA and the SFC will designate one party to be the generating party (as is the case under EMIR).

Yours faithfully

For the International Swaps and Derivatives Association, Inc.

APPENDIX 1

This Appendix sets out the additional jurisdictions of which we are aware where the reporting of counterparty identifying information is prohibited under the laws of that jurisdiction, or by the authorities or regulators in that jurisdiction.

1. Saudi Arabia

APPENDIX 2 (UPDATED ON 28 JANUARY 2015)

This Appendix sets out the additional markets and clearing houses to be recommended to the Financial Secretary to prescribe under Section 392A of the SFO.

Name of the market and its operator	**Details of the clearing house**	**Details of the jurisdiction(s) in which the market/clearing house is established and operates**	**Details of the regulatory status of the market/clearing house in each applicable jurisdiction**	**The regulatory/agency that oversees the activities of the market/clearing house**
Asia Pacific Exchange Limited	ASX Clear Pty Limited	Australia	Asia Pacific Exchange Limited ("**APX**") is the holder of an Australian Market Licence. This licence enables APX to operate a financial market in securities and managed investment products.	Australian Securities and Investments Commission
Borsa Istanbul Inc.	Istanbul Clearing, Settlement and Custody Bank Inc. (Takasbank)[1]	Turkey	The Borsa Istanbul is the sole exchange entity in Turkey and operates under the Law on the Establishment and the Principles of the Operation of Stock Exchanges	The Capital Markets Board
BOX Options Exchange LLC	The Options Clearing Corporation[2]	USA	A self-regulatory organisation	The Securities and Exchange Commission

[1] "Takasbank" is the business name and the name commonly known in the industry.

[2] The Options Clearing Corporation is on the list in the Consultation Paper but the Boston Options Exchange is not.

Name of the market and its operator	**Details of the clearing house**	**Details of the jurisdiction(s) in which the market/clearing house is established and operates**	**Details of the regulatory status of the market/clearing house in each applicable jurisdiction**	**The regulatory/agency that oversees the activities of the market/clearing house**
CBOE Futures Exchange, LLC[3]	The Options Clearing Corporation[4]	USA	A self regulatory organisation and DCM	The Securities and Exchange Commission and the CFTC
Dubai Mercantile Exchange Limited	Chicago Mercantile Exchange Inc.[5]	Dubai/ USA	The DME has been granted an Authorised Market Institution license (AMI) by the Dubai Financial Services Authority (DFSA).	In addition to oversight by the DFSA the Dubai Mercantile Exchange is subject to regulatory controls and input from various Dubai International Financial Centre and Emirates Government offices.

[3] We have included CBOE Futures Exchange (CFE) in the list which is a subsidiary of CBOE Holdings Inc. and an affiliate of Chicago Board Options Exchange. The point of including it is to clarify that banks trade on both CFE and Chicago Board Options Exchange.

[4] The Options Clearing Corporation is on the list in the Consultation Paper but CBOE Futures Exchange is not.

[5] The Chicago Mercantile Exchange Inc is on the list in the Consultation Paper but the Dubai Mercantile Exchange is not.

Name of the market and its operator	**Details of the clearing house**	**Details of the jurisdiction(s) in which the market/clearing house is established and operates**	**Details of the regulatory status of the market/clearing house in each applicable jurisdiction**	**The regulatory/agency that oversees the activities of the market/clearing house**
FEX Global Pty Ltd	LCH.Clearnet Limited	Australia	Australian Market Licence	Australian Securities and Investments Commission
International Securities Exchange, LLC	The Options Clearing Corporation[6]	USA	The International Securities Exchange has adopted a hybrid model of regulation in partnership with the Financial Industry Regulatory Authority ("**FINRA**").	FINRA
Minneapolis Grain Exchange, Inc	Minneapolis Grain Exchange, Inc	USA	The Minneapolis Grain Exchange is a self-regulatory organisation but operates as a designated contract market and derivatives clearing organisation registered with the Commodity Futures Trading Commission.	The Commodity Futures Trading Commission and with respect to participation requirements the National Futures Association.
National Stock Exchange of Australia	ASX Clear Pty Limited	Australia	Australian Market Licence	Australian Securities and Investments

[6] The Options Clearing Corporation is on the list in the Consultation Paper but the International Securities Exchange is not.

Name of the market and its operator	**Details of the clearing house**	**Details of the jurisdiction(s) in which the market/clearing house is established and operates**	**Details of the regulatory status of the market/clearing house in each applicable jurisdiction**	**The regulatory/agency that oversees the activities of the market/clearing house**
Limited				Commission
OneChicago LLC	The Options Clearing Corporation	USA	A self regulatory organisation	The Securities and Exchange Commission and Commodity Futures Trading Commission
SIM Venture Securities Exchange Ltd	ASX Clear Pty Limited	Australia	Australian Market Licence	Australian Securities and Investments Commission
Tel Aviv Stock Exchange Ltd	TASE Clearing House Ltd. and MAOF (Derivatives) Clearing House Ltd.	Israel	TASE, as a self-regulatory organisation, is responsible for the licensing and supervision of its members, but some responsibilities are closely linked to those of supervision. Bank members of TASE are wholly supervised by the Bank of Israel ("**BOI**"). Responsibility for detecting and dealing with insider trading and market abuse is with the Israel Securities Authority ("**ISA**"). The Department of Supervision of the	N/A

Name of the market and its operator	Details of the clearing house	Details of the jurisdiction(s) in which the market/clearing house is established and operates	Details of the regulatory status of the market/clearing house in each applicable jurisdiction	The regulatory/agency that oversees the activities of the market/clearing house
			Secondary Market of ISA coordinates and carries out the control and supervision pertaining to the proper and fair management of the TASE and of trading in securities listed thereon. The department's authority and the scope of its duties stem primarily from Chapter 8 of the Securities Law. This Chapter defines the supervisory authority of the ISA vis-à-vis the TASE, its trading rules and internal procedures, the activities of its board of directors and management, and the stability and ongoing activities of the exchange.	