

To: "fss@hkma.gov.hk" <fss@hkma.gov.hk>  
Cc:

Bcc:

Tips

From: 03/12/2015 06:09 PM

Subject Joint HKMA-SFC consultation on mandatory clearing and reporting for OTC derivatives market - Comment

Dear Sir/Madam,

Please see comments on the field analysis from ANZ. ANZ appreciate the time and consultation period available from HKTR to submit comments and would be happy to discuss in more detail if required.

As a general point it would be critical for the banks to know which of these fields are mandatory and which are optional / conditional. Additionally to know which fields HKTR will be matching trades on will add a lot of value in our process. It would also be very helpful if HKTR could highlight which the new fields are compared to what was required in Phase 1 reporting. This will help all the banks identify which fields must be added to the already open trades that need to be enriched as part of the Phase 2 requirements. If HKTR can provide this information, it will save every institution having to reconcile the existing fields against the new ones and avoid any doubt or fields being missed.

Please note also that for some of the fields which are new, ANZ may not have provided comments below as we may be able to source or build infrastructure to provide this information, however as we are currently using DTCC as an agent, we have a dependency on them to be able to support any new changes regardless of our ability.

Data Field	ANZ response
Remarks 1 / 2	These are new fields and unique to HK reporting. We do not have an upload mechanism. Could HKTR provide the purpose of the information? This will help ANZ understand the requirements. Could HKTR provide examples of what additional information would there be that is not captured in the other fields?
OTC Derivatives Taxonomy	We don't have a more granular taxonomy / detailed category of the underlying. Will it be based around the UPI? Firms breakdown trades in different structures depending on their system, this is a known global issue and currently being discussed as it has UTI sharing and pairing implications. One firm's multi-legged trade could be booked as 1 trade by another firm - there is no current standard.
Mandatory Early Termination Date - Cancellation Option Relevant Underlying Dates	We do not currently do this for other jurisdictions - is this information not duplicated from other fields? Potentially can source and map information but development required.
	Is this potentially duplicated information as it would be covered

Place of incorporation	through the LEI?
Relevant Underlying Dates	This appears a very generic field - we would need DTCC to advise on how they would treat the relevant underlyers.
Counterparty Industrial Sector	Can this be blank if an LEI is used? This information is associated with the LEI.
Counterparty Origin	Is this the same as Agent v Principal? Some further clarification is required please.
Known amount	This is something we do not populate currently. We may be able to source with development as long as DTCC support.
Settlement Currency	This is an ongoing issue with DTCC - they are duplicating this field from the notional currency field, which causes matching issues. We are pending their resolution
Bond Instrument ID	What are the applicable ID types, e.g. ISIN, Red Codes, CUSIP? Please could HKTR confirm how this will match?
Coupon Type	Please could HKTR provide further detail on the expectation of this field? Wouldn't this be implicit with the Bond Instrument ID?
Coupon Rate	Relates to securities / bonds - are these reportable?
Definitions Type	Please could HKTR provide more information as to what this is for?
Clearing Exemption	We can only determine this for ourselves and not our CP - is the HKTR expectation that we would know this for our CP?
Special Terms Mandate	Can HKTR provide more detail as to which mandate this pertains? This would be difficult to populate.
Bilateral comments	What should this be if UTI is mandated from 1st Feb? Is the BAI not required anymore?
FX Delivery Type	Wouldn't this be implicit in the UPI? Is this required?
Reference Entity	Please could HKTR provide more information, what type of ID is acceptable?
Reference Obligation	Please could HKTR provide more information, what ID types are supported?
Index Reference	Please could HKTR provide more information, what are the acceptable codes?
Commodity Instrument ID	Please could HKTR provide more information, what are the supported ID references?
Bullion Type - Grade(s)	Please could HKTR provide more information on all of these fields on what should be populated. If based on a listed instrument isn't it implicit what the grade is? That level of detail may require significant work.

Regards,

**Australia and New Zealand Banking Group Limited**