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**From:**  
**Sent:** 29, February, 2016 10:50 AM  
**To:** otconsult  
**Cc:**  
**Subject:** Comments on Financial Services Providers under the Consultation on Introducing Mandatory Clearing

Dear Sirs,

We would like to ensure that the HKMA and SFC have taken into account the limited operational capacity of Citigroup Global Markets Australia Pty Limited ("CGM Australia") and Citigroup Global Markets Japan Inc. ("CGM Japan") in the interest rate derivatives market in classifying these entities as Financial Services Providers. Neither of these entities is currently registered with the CFTC as a Swap Dealer. Moreover, CGM Australia has limited swaps exposure to local market customers, whilst CGM Japan has limited swaps exposure to local market dealers as well as local market customers. In terms of clearing, whilst CGM Australia is a member of ASX, there is no clearing activity on ASX for CGM Australia in the mandated product. Similarly, whilst CGM Japan currently only has the capacity to clear JPY swaps on JSCC, there is limited activity on JSCC for CGM Japan (Yen swaps). Given the particularly limited potential clearing activity of these affiliated entities to Citibank N.A. Hong Kong Branch and Citigroup Global Markets Asia Ltd, we ask for reconsideration of their inclusion on the list in Appendix D – Proposed list of Financial Services Providers.

Should you require need any further information, please feel free to contact

Regards,

Citigroup