

18 April 2018

To: Hong Kong Monetary Authority & Securities and Futures Commission
Re: Joint consultation paper on enhancements to the OTC derivatives regime for Hong Kong

Dear Sir/ Madam,

We write to you in our capacity as co-chairs of the Standards Advisory Group (SAG) of Technical Committee 68 of the International Organization for Standards (ISO) TC68/AG2.

ISO is an independent, non-governmental international organisation with a membership of 163 national standards bodies. Through its members, it brings together experts to share knowledge and develop voluntary, consensus-based, market relevant International Standards that support innovation and provide solutions to global challenges.

TC68 is the Technical Committee within ISO tasked with developing and maintaining international standards covering the areas of banking, securities, and other financial services. It is organized into Sub-Committees encompassing information exchange, reference data and security to quickly respond to the standardization needs of the stakeholders and users mainly in industry, regulators, and central banks.

The Standards Advisory Group (SAG) as a subgroup of TC 68 acts as an advisory sounding board to support and engage with regulators on financial services standards requirements, for the effective and efficient use and development of financial services standards, delivered using a cooperative relationship approach. The SAG enables a proactive dialogue with regulators on financial services standards matters.

The SAG's objectives are:

- Provide a forum for mutual assistance between the global regulatory community and ISO in carrying out their respective authorities and responsibilities with respect to financial services standards;
- Aid the adoption and promotion of consistent standards, where possible;
- Effectively deal with common issues collectively and consistently; and
- Encourage strong and open communication within the regulatory community and with the industry concerning financial services standards.

The present SAG's response represents a collective view of its membership and draws upon its knowledge as an expert standards setting body with practitioner-led experience in the development and use of standards.

We note that the Hong Kong Monetary Authority (the "HKMA") and Securities and Futures Commission (the "SFC") recently issued a joint consultation paper on enhancements to the OTC derivatives regime for Hong Kong.

While it is not within our scope to address all the specifics of this consultation, we do wish to commend the HKMA and the SFC for mandating the use of the ISO's Legal Entity Identifier (ISO 17442), demonstrating how ISO standards could be used to rationalise and facilitate reporting to regulators, notably in the field of OTC derivatives.

Further, we thank the HKMA and the SFC for their promotion and usage of these standards, which have been developed for the benefit of all market participants. In that respect, the use of the TC 68 catalogue of international standards will support data accuracy and efficient processing, and we stay at your disposal to address any questions or concerns you might have related to ISO standards in the field of competence of ISO TC68. Such requests should be directed to

We trust these comments can be taken into consideration and be useful for the progress of your work.

Thank you and regards,

Co-Chair of the ISO/TC68/AG2

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