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Hong Kong Monetary Authority
Financial Stability Surveillance Division
55/F Two International Finance Centre
8 Finance Street, Central
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The Securities and Futures Commission
Supervision of Markets Division
35/F Cheung Kong Center
2 Queen's Road Central
Hong Kong

Via email submission to: fss@hkma.gov.hk; otcconsult@sfc.hk

**Re: HKMA-SFC Joint Consultation on Enhancements to the Over-the-Counter (OTC)
Derivatives Regulatory Regime in Hong Kong**

Dear Sir or Madam:

State Street Corporation ("State Street") appreciates the opportunity to comment on the Joint Consultation on Enhancements to the Over-the-Counter (OTC) Derivatives Regulatory Regime in Hong Kong.

Headquartered in Boston, Massachusetts, State Street specializes in providing institutional investors with investment servicing, investment management and investment research and trading. With USD 33.3 trillion in assets under custody and administration and USD 2.7 trillion in assets under management, State Street operates in 29 countries and in more than 100 geographic markets.¹ Following our entry into the Asia-Pacific region over 35 years ago, today we have nearly 5,000 employees in eleven jurisdictions in Australia, Brunei, China, Hong Kong, India, Japan, Malaysia, Singapore, South Korea, Taiwan and Thailand, servicing our clients throughout the region. In Hong Kong, State Street provides custody, investment administration and trustee services to SFC authorized collective investment schemes, and provides similar services in other jurisdictions in the Asia-Pacific, Europe and the United States. State Street's investment management business, State Street Global Advisors, similarly provides investment management services to SFC authorized and other collective investment schemes in Hong Kong.

¹ As of March 31, 2018

State Street supports the overall enhancements to improve transparency in the OTC markets and mitigate system risks. While we support the adoption of the proposed LEI requirement in Hong Kong, we recommend flexibility in its implementation.

In section C, paragraph 28 (f), reporting of LEI for all other transacting parties will be dependent on LEI being mandated across all other regimes before 2020. To date, there are trade reporting jurisdictions like Singapore, Australia and others globally which have not made obtaining or reporting LEI a mandatory requirement. There are also other jurisdictions in the region such as Korea and Taiwan which still do not have G20 trade reporting requirements, and also no mandatory LEI requirements.

Increasing the level of uptake of LEIs across the Asia-Pacific region has been a challenge to date, especially for clients domiciled in jurisdictions without mandatory LEI requirements, where continued outreach and awareness efforts will be necessary. We encourage the HKMA and SFC to engage with regulators in these other regions to ensure smooth implementation of LEI adoption especially for these entities who may need additional time to adopt LEIs. We urge leniency and a degree of flexibility in the event that not all jurisdictions have implemented mandatory LEIs by January 2020.

Thank you for the opportunity to comment on this consultation. Please feel free to contact
if you have any questions.

Sincerely,

Managing Director
Head of Regulatory, Industry and Government Affairs, APAC