

# Joint consultation conclusions paper on the annual update to the list of Financial Services Providers under the Clearing Rules for over-the-counter derivative transactions

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SECURITIES AND  
FUTURES COMMISSION  
證券及期貨事務監察委員會

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## **Introduction**

1. In April 2021, the Hong Kong Monetary Authority (**HKMA**) and the Securities and Futures Commission (**SFC**) issued a joint consultation paper (**Consultation Paper**) on the annual update to the list of Financial Services Providers (**FSP List**) under the Clearing Rules for over-the-counter (**OTC**) derivative transactions<sup>1</sup>.
2. The FSP List includes entities that meet the following two criteria –
  - (a) They belong to a group of companies appearing on the list of global systemically important banks (**GSIBs**) published by the Financial Stability Board, or on the list of dealer groups which undertook to the OTC Derivatives Supervisors Group to work collaboratively with central counterparties, infrastructure providers and global supervisors to continue to make structural improvements to the global OTC derivatives markets (**G15-dealers**); and
  - (b) They are members of the largest central counterparties offering clearing for interest rate swaps in the US, Europe, Japan and Hong Kong (**IRS CCPs**).
3. The deadline for submitting comments on the update to the FSP List was 14 May 2021. We received a total of three submissions. A list of respondents is set out in [Appendix A](#) and their comments (unless requested to be withheld from publication) can be viewed on the websites of the [HKMA](#) and the [SFC](#).
4. This consultation conclusions paper (**Conclusions Paper**) sets out the comments received and our conclusions, and should be read together with the Consultation Paper.

## **Comments and Conclusions to Annual Update to the FSP List**

5. In the Consultation Paper, we proposed (among others) to add a new Financial Services Provider (**FSP**), namely TD Global Finance Unlimited Company, and to remove an entity as an FSP, i.e. DB Privat- und Firmenkundenbank AG, based on the above criteria for determining whether an entity comes within the scope of an FSP, and taking a snapshot of the entities falling under the FSP criteria as at the end of 2020.

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<sup>1</sup> The current clearing regime, as set out in the Securities and Futures (OTC Derivative Transactions – Clearing and Record Keeping Obligations and Designation of Central Counterparties) Rules (Clearing Rules), covers transactions between major dealers where at least one of them is a prescribed person (ie, an authorized institution, an approved money broker or a licensed corporation). Transactions in standardised interest rate swaps in G4 currencies (ie, US dollar, Euro, British pound and Japanese yen) and Hong Kong dollar between a prescribed person which has reached the prescribed clearing threshold and another major dealer which is not a prescribed person also have to be centrally cleared. To that end, the concept of Financial Services Providers was introduced to identify such major dealers outside of Hong Kong.

6. The respondents did not raise any comment on the proposed revisions to the FSP List. Accordingly, the draft revised FSP List set out in the Consultation Paper is to be adopted as the final updated FSP List as set out in [Appendix B](#).

## **Concluding Remarks and Next Steps**

7. We take this opportunity to thank everyone who took the time and effort to comment and assist us in the annual update to the FSP List.
8. Following our current approach for the annual update, we will gazette the updated FSP List in [Appendix B](#) during the fourth quarter of 2021 for implementation on 1 January 2022.
9. We will continue to maintain close dialogue with the industry as we consult on other proposals regarding the OTC derivatives regulatory regime in the future.

## **Appendix A – List of Respondents**

(in alphabetical order)

### **Respondents whose comments are published on the websites of the HKMA and the SFC**

1. DTC Association, The
2. Hong Kong Association of Banks, The
3. Hong Kong Bar Association, The

## **Appendix B – Updated List of Financial Services Providers**

The following entities have been designated, or are proposed to be designated, as Financial Services Providers for the purposes of the Clearing Rules.

### **Name of the entities**

(in alphabetical order)

1. Agricultural Bank of China Limited
2. Banco Santander S.A.
3. Bank of America, N.A.
4. Bank of America Europe Designated Activity Company (previously stated as “Bank of America Merrill Lynch International Designated Activity Company”)
5. Bank of China (UK) Ltd
6. Banque Palatine S.A.
7. Barclays Bank Ireland Plc
8. Barclays Bank PLC
9. Barclays Bank UK PLC
10. Barclays Capital Inc.
11. BNP Paribas Fortis SA/NV
12. BNP Paribas SA
13. BNP Paribas Securities Corp.
14. BofA Securities, Inc.
15. BofA Securities Europe SA
16. BofA Securities Japan Co., Ltd (previously stated as “Merrill Lynch Japan Securities Co., Ltd.”)
17. CACEIS Bank SA
18. Citibank, N.A.
19. Citibank Europe Plc
20. Citigroup Global Markets Europe AG
21. Citigroup Global Markets Inc.
22. Citigroup Global Markets Japan Inc.
23. Citigroup Global Markets Limited
24. Credit Agricole Corporate and Investment Bank
25. Credit Foncier de France
26. Credit Suisse (Schweiz) AG
27. Credit Suisse AG
28. Credit Suisse International
29. Credit Suisse Securities (Japan) Limited
30. Credit Suisse Securities (USA) LLC
31. Credit Suisse Securities Sociedad de Valores, S.A.
32. Deutsche Bank AG
33. Deutsche Bank Securities Inc.
34. Goldman Sachs & Co. LLC
35. Goldman Sachs Bank Europe SE
36. Goldman Sachs Bank USA
37. Goldman Sachs Financial Markets Pty Ltd
38. Goldman Sachs International
39. Goldman Sachs Japan Co., Ltd.
40. HSBC Bank plc
41. HSBC Bank USA, N.A.
42. HSBC Continental Europe (previously stated as “HSBC France”)

43. HSBC Securities (USA) Inc.
44. HSBC UK Bank plc
45. ING Bank N.V.
46. ING Bank Śląski S.A.
47. ING-DiBa AG
48. J.P. Morgan AG
49. J.P. Morgan Securities LLC
50. J.P. Morgan Securities plc
51. JPMorgan Chase Bank, N.A.
52. JPMorgan Securities Japan Co., Ltd.
53. Merrill Lynch Capital Services Inc.
54. Merrill Lynch International
55. Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
56. Mizuho Bank, Ltd.
57. Mizuho Capital Markets LLC
58. Mizuho International plc
59. Mizuho Securities USA LLC
60. Morgan Stanley & Co. International plc
61. Morgan Stanley & Co. LLC
62. Morgan Stanley Capital Services LLC
63. Morgan Stanley Europe SE
64. Morgan Stanley MUFG Securities Co., Ltd.
65. MUFG Bank, Ltd.
66. MUFG Securities EMEA plc
67. National Westminster Bank Plc
68. NATIXIS
69. NatWest Markets N.V.
70. NatWest Markets plc
71. Nomura Financial Products & Services, Inc.
72. Nomura Global Financial Products, Inc.
73. Nomura International plc
74. Nomura Securities Co., Ltd.
75. Nomura Securities International, Inc.
76. Nordea Bank Abp
77. RBC Capital Markets, LLC
78. RBC Europe Limited
79. Royal Bank of Canada
80. Santander Financial Services Plc
81. Santander Investment Securities Inc.
82. SG Americas Securities LLC
83. SMBC Capital Markets Inc.
84. SMBC Nikko Securities Inc.
85. Societe Generale
86. Societe Generale International Limited
87. Standard Chartered Bank
88. Sumitomo Mitsui Banking Corporation
89. Sumitomo Mitsui Trust Bank, Limited
90. TD Bank, N.A.
91. TD Bank USA, N.A.
92. TD Global Finance Unlimited Company
93. The Bank of New York Mellon
94. The Toronto-Dominion Bank
95. UBS AG
96. UBS Europe SE
97. UBS Securities LLC

98. UBS Switzerland AG
99. UniCredit Bank AG
100. UniCredit Bank Austria AG
101. UniCredit S.p.A.
102. Wells Fargo Bank, N.A.
103. Wells Fargo Securities, LLC