

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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HONG KONG MONETARY AUTHORITY
香港金融管理局



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

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Introduction

1. In April 2022, the Hong Kong Monetary Authority (**HKMA**) and 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 transactions¹.
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 clearing 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 2022. We received a total of two 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 [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 on Annual Update to the FSP List

5. In the Consultation Paper, we proposed to add a new Financial Services Provider (**FSP**), namely Nomura Financial Products Europe GmbH, 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 2021.

¹ 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 dollars 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. We also stated in the Consultation Paper that our policy has been to keep on the FSP list any GSIB or G15-dealer member entity which is no longer a clearing member of any IRS CCPs unless there is no longer any entity within the group which is a clearing member of an IRS CCP, or we receive a submission from the entity that there is a permanent change in its business model so that it no longer conducts OTC derivative transactions. Further, we proposed to align the names of certain entities with those of the entities which appear in the registers of the HKMA or SFC for the sake of consistency.
7. We did not receive any comments on the proposed revisions to the FSP List as set out in paragraphs 5 and 6. Accordingly, the draft revised FSP List set out in the Consultation Paper is to be adopted, subject to alignment to put the names in alphabetical order, as the final updated FSP List as set out in [Appendix B](#).

Concluding Remarks and Next Steps

8. We take this opportunity to thank those who took the time and effort to comment and assist us in the annual update to the FSP List.
9. Following our established approach for this annual update, we will gazette the updated FSP List in [Appendix B](#) during the fourth quarter of 2022 for implementation on 1 January 2023.
10. We will 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 SFC

1. DTC Association, The
2. Hong Kong Association of Banks, 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, National Association
4.	Bank of America Europe 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
12.	BNP Paribas Fortis SA/NV
13.	BNP Paribas Securities Corp.
14.	BofA Securities, Inc.
15.	BofA Securities Europe SA
16.	BofA Securities Japan 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 AG
27.	Credit Suisse Bank (Europe), S.A.
28.	Credit Suisse International
29.	Credit Suisse (Schweiz) AG
30.	Credit Suisse Securities (Japan) Limited
31.	Credit Suisse Securities (USA) LLC
32.	Deutsche Bank Aktiengesellschaft
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, National Association
42.	HSBC Continental Europe
43.	HSBC Securities (USA) Inc.
44.	HSBC UK Bank plc

45.	ING Bank N.V.
46.	ING Bank Slaski 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, National Association
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 Financial Products Europe GmbH
73.	Nomura Global Financial Products, Inc.
74.	Nomura International plc
75.	Nomura Securities Co., Ltd.
76.	Nomura Securities International, Inc.
77.	Nordea Bank Abp
78.	RBC Capital Markets, LLC
79.	RBC Europe Limited
80.	Royal Bank of Canada
81.	Santander Financial Services Plc
82.	Santander Investment Securities Inc.
83.	SG Americas Securities LLC
84.	SMBC Capital Markets Inc.
85.	SMBC Nikko Securities Inc.
86.	Societe Generale
87.	Societe Generale International Limited
88.	Standard Chartered Bank
89.	Sumitomo Mitsui Banking Corporation
90.	Sumitomo Mitsui Trust Bank, Limited
91.	TD Bank, N.A.
92.	TD Bank USA, N.A.
93.	TD Global Finance Unlimited Company
94.	The Bank of New York Mellon
95.	Toronto-Dominion Bank
96.	UBS AG

97.	UBS Europe SE
98.	UBS Securities LLC
99.	UBS Switzerland AG
100.	UniCredit Bank AG
101.	UniCredit Bank Austria AG
102.	UniCredit S.p.A.
103.	Wells Fargo Bank, National Association
104.	Wells Fargo Securities, LLC