

# 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 2023, 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 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 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 19 May 2023. 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 [SFC](#).
4. This consultation conclusions paper (**Conclusions Paper**) should be read together with the Consultation Paper.

## **Annual Update to the FSP List**

5. In the Consultation Paper, based on the criteria set out above for the identification of a Financial Services Provider (**FSP**), we proposed to reflect a change of the name of an existing FSP, J.P. Morgan AG, to J.P. Morgan SE, and the merger of Santander Investment Securities Inc., an existing FSP, with another entity to form Santander US Capital Markets LLC. In the latter case, it was proposed to revoke the designation of Santander Investment Securities Inc. as an FSP and to designate the merged entity as an FSP.

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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. We 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 not 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 revise the order in which some existing FSPs appear in the FSP List so as to align with the rank ordering of the latest (ie, 2022) gazetted FSP List.
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 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 2023 for implementation on 1 January 2024.
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 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, 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 SE                                     |
| 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 US Capital Markets LLC                   |
| 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   |

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| 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            |