

Consultation on proposed amendments to the Clearing Rules for over-the-counter derivative transactions pursuant to global interest rate benchmark reform

Seq	Request for Comment / Relevant Excerpt	HKAB Comments
1	Do you have any comments regarding our proposed changes as set out in paragraphs 10 and 11 above? If so, please provide details and justifications for your comments, as well as suggestions on how best to address them.	NIL
2	Other Comments	
2.1		It is noted that there are multiple conventions for ARR OIS (e.g. payment delay, lookback, observation shift, lockout) and not all CCP can support those conventions. Could the HKMA please advise whether the trade still falls under mandatory clearing requirements if a convention is not supported by CCPs?
2.2	Join Consultation Paper, P. 6, Section C, Paragraph 13. <i>“Thereafter, we aim to table the necessary subsidiary legislation for effecting the proposed changes before the Legislative Council for negative vetting in 2023, and subject to legislative process, aim to implement the proposed changes between Q4 2023 and Q1 2024.”</i>	As various regulators have all announced their intentions to include SOFR and other OIS rates in their requirements, we hope the HKMA could consider to align effective implementation dates where possible. Also, given the year-end technology change freezes that apply to most banks, we would appreciate that the HKMA could opt for implementation of the changes by the end of Q1 '24 vs. Q4 '23 (year-end).