HONG KONG MONETARY AUTHORITY
香港金融管理局

27 January 2017

The Chief Executive
All Regulated Entities

Dear Sir/Madam,

OTC Derivatives Trade Repository of the HKMA

Training and Testing for the use of the electronic reporting system

Further to my letter of 8 April 2016 advising on the training and testing schedule of the over-the-counter (OTC) derivatives trade repository of the HKMA (HKTR) for the second half of 2016, I am writing to advise on the schedule for the first half of 2017.

You may be aware that the Securities and Futures Commission (SFC) and the HKMA had jointly announced on 15 July 2016 that the phase 2 mandatory reporting requirements under the OTC derivatives regime would take effect from 1 July 2017. As compared to the phase 1 mandatory reporting requirements which came into effect on 10 July 2015, the phase 2 mandatory reporting requirements will cover transactions in ALL 5 major asset classes of OTC derivatives products as well as reporting of valuation information.

Regulated entities subject to the mandatory reporting requirements (i.e. Authorized Institutions, Approved Money Brokers, Licensed Corporations and Central Counterparties operating in Hong Kong) are required to sign up for the reporting service of the HKTR and complete a scenario test and a product specific test (simulation test – part 1 and part 2) (including entities which intend to report via an agent) on or before 31 May 2017 before they will be accepted for reporting. For those regulated entities which had previously signed up for the reporting service and completed a scenario test for reporting under the Interim Reporting Requirements (applicable only to Licensed Banks) or phase 1 mandatory reporting requirements are also required to complete a product specific test (simulation test – part 2) **on or before 31 May 2017**, in order to be accepted by the HKTR for reporting additional OTC derivatives products under

55th Floor, Two International Finance Centre,
8 Finance Street, Central, Hong Kong
Website: www.hkma.gov.hk

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the Phase 2 mandatory reporting requirements. The schedule and details for the training sessions and simulation tests of the HKTR in the first half of 2017 is set out in the enrolment forms attached to this letter.

For regulated entities intending to report through an agent, they must make sure that their agents will meet all technical requirements specified by the HKTR in time and they must test the trade submission process with their agents prior to reporting. A declaration form on the readiness of reporting via an agent is required to be filed with the HKTR before the agent will be accepted for reporting for an entity. Please also note that reporting via an agent by an Authorized Institution may constitute an outsourcing arrangement requiring prior approval of the HKMA. Authorized Institutions may check with their usual supervisory contacts at the HKMA on the approval arrangement.

If you have any enquiries, please contact the HKTR at (852) 8100 3115 or e-mail to hktr@hkma.gov.hk.

Yours faithfully,

Stanley Chan
Head, Payment Systems Operation Division
Financial Infrastructure Department

Enrolment form for User Training of the HKTR Reporting Service

Name of institution: _____

TR Member code (if applicable): _____

Training sessions for the first half year of 2017

(Please tick the applicable session)

	Date	Time	Language#	Venue	Enrolment cut-off
☐	22-Feb-2017	14:30 – 18:00	English	HKMA Office*	15-Feb-2017
☐	4-May-2017	14:30 – 18:00	English		25-Apr-2017

#Video demonstration (English and Cantonese) on the use of the Reporting Service can be downloaded from the website of the HKTR

*Venue: HKMA office, 55/F Two International Finance Centre, Central, Hong Kong

My institution would like to nominate the following officers to attend the training session selected above:

Name	Telephone	Email

Note: Priority will be given to institutions that have signed the Reporting Service Agreement. If the number of enrolled participants exceeds the capacity of the session, additional sessions may be arranged, and the enrolled participants will be advised accordingly.

(Please complete and return this form to the HKTR by fax to (852)2878-1679 or by e-mail to hktr@hkma.gov.hk on or before the respective enrolment cut-off dates)

Enrolment form for Simulation Test of the HKTR Reporting Service

Name of institution: _____

TR Member code (if applicable): _____

The Simulation Test is composed of two parts: (i) Scenario Test and (ii) Product Specific Test. New members must complete both Scenario Test and Product Specific Test in order to complete the Simulation Test. For existing members who have previously completed Scenario Test and prepare to report additional products, they are only required to complete the Product Specific Test. The Simulation Test package can be downloaded in the HKTR Info Page at https://hktr.hkma.gov.hk/

(i) Scenario Test Schedule for the first half year of 2017

Participant selects one asset class and follows the schedule set by the HKMA to complete the Scenario Test.

(Please tick the applicable period and one applicable asset class)

	Scenario Test Sessions	Enrolment cut-off
☐	13-Mar-2017 to 17-Mar-2017	3-Mar-2017
	☐ Foreign Exchange Derivatives ☐ Equity Derivatives	
☐	22-May-2017 to 26-May-2017	12-May-2017
	☐ Foreign Exchange Derivatives ☐ Interest Rate Derivatives ☐ Equity Derivatives	

My institution will participate in the scenario test in above selected period. Please contact the following officers of our institution for system and logistical arrangements:

Name	Telephone	Email

(ii) Product Specific Test for additional products

Participant can conduct the Product Specific Test for products which are applicable and notify HKTR to verify the result. Product Specific Test MUST be completed by participant and notify the HKTR on or before 31 May 2017.

(Please complete and return this form to the HKTR by fax to (852)2878-1679 or by e-mail to hktr@hkma.gov.hk on or before the respective enrolment cut-off dates)