Annex 3

Template CCA(A): Main features of regulatory capital instruments and non-capital LAC debt instruments

Purpose:	To provide a description of the main features of a resolution entity or a material subsidiary's Common Equity Tier 1 ("CET1"), Additional Tier 1 ("AT1"), Tier 2 ("T2") capital instruments and non-capital LAC debt instruments, as applicable, that are recognised as part of its loss-absorbing capacity under the Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules ("LAC Rules").
Scope of application:	The template is mandatory for all resolution entities and material subsidiaries under the LAC Rules for all instruments included in their loss-absorbing capacity.
Content:	Qualitative and quantitative information.
Frequency:	Semi-annual. This template should be updated whenever a capital instrument or a non-capital LAC debt instrument is issued, repaid, included in or excluded from the external or internal loss-absorbing capacity by a resolution entity or material subsidiary, as applicable, and whenever there is a redemption, conversion / write-down, or any other material change in the nature of the relevant instrument. The resolution entity or material subsidiary should include the web link to the issuances made over the previous period in each disclosure statement.
Format:	Flexible.
Accompanying information:	The full terms and conditions of all instruments included in the external or internal loss-absorbing capacity of a resolution entity or material subsidiary, as applicable, should be made available on its internet website.
Corresponding LAC Rules rule:	51

		(a)
		Quantitative / qualitative information
1	Issuer	
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	
3	Governing law(s) of the instrument	
3a	Means by which enforceability requirement of Section 13 of the TLAC Term Sheet is achieved (for non-capital LAC debt instruments governed by non-Hong Kong law)	
	Regulatory treatment	
4	Transitional Basel III rules[1]	NA

[1] ~~Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H to the Banking (Capital) Rules ("BCR").~~

		(a)
		Quantitative / qualitative information
5	~~Post-transitional~~ Basel III rules[2]	
6	Eligible at solo / group / solo and group (for regulatory capital purposes)	
6a	Eligible at solo / LAC consolidation group / solo and LAC consolidation group (for LAC purposes)	
7	Instrument type (types to be specified by each jurisdiction)	
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	
8a	Amount recognised in loss-absorbing capacity (currency in millions, as of most recent reporting date)	
9	Par value of instrument	
10	Accounting classification	
11	Original date of issuance	
12	Perpetual or dated	
13	Original maturity date	
14	Issuer call subject to prior supervisory approval	
15	Optional call date, contingent call dates and redemption price	
16	Subsequent call dates, if applicable	
	Coupons / dividends	
17	Fixed or floating dividend / coupon	
18	Coupon rate and any related index	
19	Existence of a dividend stopper	
20	Fully discretionary, partially discretionary or mandatory	
21	Existence of step-up or other incentive to redeem	
22	Non-cumulative or cumulative	
23	Convertible or non-convertible	
24	If convertible, conversion trigger(s)	
25	If convertible, fully or partially	
26	If convertible, conversion rate	
27	If convertible, mandatory or optional conversion	
28	If convertible, specify instrument type convertible into	
29	If convertible, specify issuer of instrument it converts into	
30	Write-down feature	
31	If write-down, write-down trigger(s)	
32	If write-down, full or partial	
33	If write-down, permanent or temporary	
34	If temporary write-down, description of write-up mechanism	
34a	Type of subordination	
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	
36	Non-compliant transitioned features	NA
37	If yes, specify non-compliant features	NA

[2] ~~Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H to the BCR.~~

	(a)
	Quantitative / qualitative information

Points to note:

(i) A resolution entity or a material subsidiary should cover all instruments included in its external or internal loss-absorbing capacity respectively, on a consolidated basis and, as applicable, on a solo basis or solo-consolidated basis (as the case requires). A resolution entity or material subsidiary that is a Hong Kong-incorporated AI may complete Table CCA for all CET1, AT1 and T2 capital instruments, as applicable, that are included in both its regulatory capital and external or internal loss-absorbing capacity, as the case requires, in place of this template.

(ii) This template may be posted on the internet website of a group company of the resolution entity or material subsidiary, instead of that of the resolution entity or material subsidiary, upon approval by the resolution authority under the LAC Rules. However, for disclosure by a resolution entity or material subsidiary that is a Hong Kong-incorporated AI with respect to CET1, AT1 and T2 capital instruments that are included in both its regulatory capital and external or internal loss-absorbing capacity, the reference to "group company" should be interpreted as a reference to the ~~parent bank~~holding company only (but not also any other group company) of the resolution entity or material subsidiary, consistent with requirements under the Banking (Disclosure) Rules.

(iii) A resolution entity or material subsidiary should report the main features of each outstanding regulatory capital instrument or non-capital LAC debt instrument. For any item that is not applicable for a particular instrument, "NA" should be entered.

(iv) In order to provide a "main features report" that summarises all of the regulatory capital instruments and non-capital LAC debt instrument of the banking group, a resolution entity or material subsidiary should group the instruments under three sections (horizontally along the template) to indicate whether they are for meeting (i) only regulatory capital (but not LAC) requirements; (ii) both regulatory capital and LAC requirements; or (iii) only LAC (but not regulatory capital) requirements. The resolution entity or material subsidiary should report each instrument in a separate column of this template (by adding column (b), column (c) and so on) under each of the three sections according to the relevant grouping.

(v) A resolution entity or material subsidiary should select one of the standard options in the list as the input for a particular cell, where relevant. The following table provides a more detailed explanation of reporting requirements for each of the cells, and, where relevant, the list of standard options from which the resolution entity or material subsidiary should select as the input for a particular cell.

Explanatory Note	
Rows	
1	The legal entity which is the issuer of the instrument. *Free text*
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement). *Free text*
3	Specifies the governing law(s) of the instrument. *Free text*
3a	Non-capital LAC debt instruments governed by non-Hong Kong law– — To meet the qualifying criteria for loss-absorbing capacity, the resolution entity or material subsidiary is required to obtain independent legal advice acceptable to the Monetary Authority (as the resolution authority) issued under the non-Hong Kong law, addressing whether the application of resolution powers under the Financial Institutions (Resolution) Ordinance would be effective and enforceable on the basis of binding statutory provisions or legally enforceable contractual provisions.

	If the legal basis is legally enforceable contractual provisions, select "Contractual". If the legal basis is binding statutory provisions, select "Statutory". Select "NA" where the governing law of the instrument is the law of Hong Kong. *Enter: [Contractual] [Statutory] [NA]*
4	~~Specifies the regulatory capital treatment (if the instrument is subject to the transitional arrangements provided for in Schedule 4H to the BCR) (i.e. the component of capital that the instrument is being phased-out from).~~ ~~*Enter: [Common Equity Tier 1] [Additional Tier 1] [Tier 2]*~~ This row is obsolete and no longer applicable.
5	Specifies the regulatory capital treatment ~~(if the instrument is not subject to the transitional arrangements provided for in Schedule 4H to the BCR).~~ *Enter: [Common Equity Tier 1] [Additional Tier 1] [Tier 2] ~~[Ineligible]~~*
6	Specifies the level(s) within the group at which the instrument is included in capital. The level of solo includes solo-consolidated. *Enter: [Solo] [Group] [Solo and Group] [Ineligible]*
6a	Specifies the level(s) within the group at which the instrument is included in loss-absorbing capacity. The level of solo includes solo-consolidated. *Enter: [Solo] [LAC consolidation group] [Solo and LAC consolidation group] [Ineligible]*
7	Specifies the instrument type, varying by jurisdiction. This helps provide a more granular understanding of features~~, particularly during transition~~. *Enter: [Ordinary shares] [Perpetual non-cumulative preference shares] [Perpetual debt instruments] [Perpetual cumulative preference shares] [Redeemable non-cumulative preference shares] [Redeemable cumulative preference shares] [Other Tier 2 instruments][non-capital LAC debt instrument] [Others: please specify]*
8	Specifies amount recognised in regulatory capital. ~~Where more than one capital instrument is subject to the phase-out arrangements in a particular tier of capital, a resolution entity or material subsidiary may specify the total amount recognised in that tier of capital for all such instruments instead of the amount recognised for each individual capital instrument.~~ *Free text*
8a	Specifies amount recognised in loss-absorbing capacity. *Free text*
9	Par value of the instrument. *Free text*
10	Specifies accounting classification which helps to assess loss absorbency. *Enter: [Shareholders' equity] [Liability – amortised cost] [Liability – fair value option] [Non-controlling interest in consolidated subsidiary]*
11	Specifies date of issuance. *Free text*
12	Specifies whether dated or perpetual.

	Enter: [Perpetual] [Dated]
13	For dated instrument, specifies original maturity date (day, month and year). For perpetual instrument, "no maturity" should be entered. *Free text*
14	Specifies whether there is an issuer call option. *Enter: [Yes] [No]*
15	For instrument with issuer call option, specifies (i) first date of call if the instrument has a call option on a specific date (day, month and year); (ii) if the instrument has a tax and / or regulatory event call; and (iii) the redemption price. *Free text*
16	Specifies the existence and frequency of subsequent call dates, if applicable. *Free text*
17	Specifies whether the coupon / dividend is: (i) fixed over the life of the instrument; (ii) floating over the life of the instrument; (iii) currently fixed but will move to a floating rate in the future; or (iv) currently floating but will move to a fixed rate in the future. *Enter: [Fixed] [Floating] [Fixed to floating] [Floating to fixed]*
18	Specifies the coupon rate of the instrument and any related index that the coupon / dividend rate references. *Free text*
19	Specifies whether the non-payment of a coupon or dividend on the instrument prohibits the payment of dividends on ordinary shares (i.e. whether there is a dividend stopper). *Enter: [Yes] [No]*
20	Specifies whether the issuer has (i) full discretion; (ii) partial discretion; or (iii) no discretion over whether a coupon / dividend is paid. If a resolution entity or material subsidiary has full discretion to cancel coupon / dividend payments under all circumstances, it should select "fully discretionary" (including when there is a dividend stopper that does not have the effect of preventing the resolution entity or material subsidiary from cancelling payments on the instrument). If there are conditions that should be met before payment can be cancelled (e.g. capital below a certain threshold), the resolution entity or material subsidiary should select "partially discretionary". If the resolution entity or material subsidiary is unable to cancel the payment outside of insolvency, it should select "mandatory". *Enter: [Fully discretionary] [Partially discretionary] [Mandatory]*
21	Specifies whether there is a step-up or other incentive to redeem. *Enter: [Yes] [No]*
22	Specifies whether dividends / coupons are cumulative or non-cumulative. *Enter: [Non-cumulative] [Cumulative]*
23	*Convertible or non-convertible*: specifies whether the instrument is convertible or not without considering the implications of the potential exercise of powers under the Financial Institutions (Resolution) Ordinance. However, the resolution entity or material subsidiary should also disclose in this row, e.g. in the form of a remark, if the terms

	and conditions of the instrument contain a provision that the holder of the instrument acknowledges and agrees to be bound by such powers. *Enter: [Convertible] [Non-convertible]*
24	Specifies the conditions under which the instrument will convert, including point of non-viability. Where one or more authorities have the ability to trigger conversion, names of the authorities should be listed. For each of the authorities it should be stated whether it is the terms of the contract of the instrument that provide the legal basis for the authority to trigger conversion (a contractual approach) or whether the legal basis is provided by statutory means (a statutory approach). Where any authorities are required to be given an opportunity to object to the triggering of conversion, names of authorities should be listed. *Free text.*
25	For each conversion trigger separately, specifies whether the instrument will: (i) always convert fully; (ii) may convert fully or partially; or (iii) will always convert partially. *Free text referencing one of the options above*
26	Specifies rate of conversion into the more loss absorbent instrument. *Free text*
27	For convertible instruments, specifies whether conversion is mandatory or optional. *Enter: [Mandatory] [Optional] [NA]*
28	For convertible instruments, specifies instrument types they are convertible into. *Enter: [Common Equity Tier 1] [Additional Tier 1] [Tier 2] [Others: please specify]*
29	If convertible, specifies issuer of instrument into which it converts. *Free text*
30	Specifies whether there is a write-down feature without considering the implications of the potential exercise of powers under the Financial Institutions (Resolution) Ordinance. However, the resolution entity or material subsidiary should also disclose in this row, e.g. in the form of a remark, if the terms and conditions of the instrument contain a provision that the holder of the instrument acknowledges and agrees to be bound by such powers. *Enter: [Yes] [No]*
31	Specifies the trigger at which write-down occurs, including point of non-viability. Where one or more authorities have the ability to trigger write-down, names of the authorities should be listed. For each of the authorities it should be stated whether it is the terms of the contract of the instrument that provide the legal basis for the authority to trigger write-down (a contractual approach) or whether the legal basis is provided by statutory means (a statutory approach). Where any authorities are required to be given an opportunity to object to the triggering of write-down, names of authorities should be listed. *Free text*
32	For each write-down trigger separately, specifies whether the instrument will: (i) always be written down fully; (ii) may be written down partially; or (iii) will always be written down partially. *Free text referencing one of the options above*
33	For write-down instrument, specifies whether write-down is permanent or temporary. *Enter: [Permanent] [Temporary] [NA]*

34	For instrument that has a temporary write-down, description of write-up mechanism. Not applicable in the case of Hong Kong as no write-up is allowed. *Enter: [NA]*
34a	Type of subordination. If the instrument is issued by a clean HK holding company, irrespective of whether it is contractually subordinated to depositors and general creditors of the clean HK holding company, select "Structural". Where the instrument issued by a clean HK holding company is contractually subordinated to its depositors and general creditors, explain so in a narrative description. If the instrument is contractually subordinated to depositors and general creditors of the resolution entity or material subsidiary (as applicable), select "Contractual". *Enter: [Structural] [Contractual]* *Free text (if applicable)*
35	Specifies instrument to which it is most immediately subordinate. Where applicable, a resolution entity or material subsidiary should specify the column numbers of the instruments in the completed main features template to which the instrument is most immediately subordinate. In the case of structural subordination, "NA" should be entered. *Free text*
36	~~Specifies whether there are non-compliant features.~~ ~~*Enter: [Yes] [No]*~~ This row is obsolete and no longer applicable.
37	~~If there are non-compliant features, a resolution entity or material subsidiary should identify them.~~ ~~*Free text*~~ This row is obsolete and no longer applicable.