

Consultation on annual update to the list of Financial Services Providers under the OTC derivatives regulatory regime

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) and the Securities and Futures Commission (SFC) today (April 15) issued a [joint consultation](#) on the annual update to the list of Financial Services Providers (Note 1) under the over-the-counter (OTC) derivatives clearing regime (Note 2). An additional entity is proposed to be included on the list, and an entity to be removed.

Interested parties are invited to submit comments to the HKMA or the SFC by May 14, 2021.

The joint consultation paper can be downloaded from the websites of the [HKMA](#) or the [SFC](#).

Note 1) The list includes entities that meet the following two criteria:
(i) They belong to a group of companies appearing on the list of global systemically important banks 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; and
(ii) They are members of the largest central counterparties offering clearing for interest rate swaps in the US, Europe, Japan and Hong Kong.

Note 2) The current clearing regime covers transactions between major dealers where at least one of them is a prescribed person (i.e. an authorised institution, an approved money broker or a licensed corporation). Transactions in certain standardised interest rate swaps in G4 currencies (i.e. 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.