

APAC Monthly Update

June 2013

APAC Monthly Update summarizes important regulatory developments, meetings, committee activities and conferences in the region.

Regulatory Activities

India

On June 24, ISDA met with:

- the Reserve Bank of India (RBI) to discuss ISDA's submission dated March 20, 2013 to the RBI, the Ministry of Finance and The Clearing Corporation of India Ltd. (CCIL) on CCIL's Forex Forward Guaranteed Segment as well as the impact of Article 25 of the European Regulation on OTC Derivatives, Central Counterparties and Trade Repositories (EMIR) on non-European Union, third country central counterparties (CCPs).
- the Department of Banking Operations and Development of the Reserve Bank of India to discuss ISDA's letter dated October 18, 2012 to Asia-Pacific regulators which addressed the issue of the potential conflict which may arise in the event privacy laws in non-U.S. jurisdictions prohibit the disclosure of trade data to swap data repositories. ISDA also discussed recent global developments and ISDA initiatives in this particular area.
- the Internal Debt Management Department of the Reserve Bank of India to discuss ISDA's submission dated March 20, 2013 to the RBI, the Ministry of Finance and The Clearing Corporation of India Limited (CCIL) on CCIL's Forex Forward Guaranteed Segment as well as the impact of Article 25 of the European Regulation on OTC Derivatives, Central Counterparties and Trade Repositories (EMIR) on non-European Union, third country central counterparties (CCPs). Also discussed was ISDA's letter dated October 18, 2012 to Asia-Pacific regulators which addressed the issue of the potential conflict which may arise in the event privacy laws in non-U.S. jurisdictions prohibit the disclosure of trade data to swap data repositories.
- The Clearing Corporation of India Ltd. (CCIL) to discuss ISDA's submission dated March 20, 2013 to the RBI, the Ministry of Finance and The Clearing Corporation of India Ltd. (CCIL) on CCIL's Forex Forward Guaranteed Segment as well as the impact of Article 25 of the European Regulation on OTC Derivatives, Central Counterparties and Trade Repositories (EMIR) on non-European Union, third country central counterparties (CCPs).

On June 25, ISDA met with the market Regulation Department (MRD) of the Securities and Exchange Board of India (SEBI) to discuss ISDA's submission dated March 20, 2013 to the RBI, the Ministry of Finance and The Clearing Corporation of India Ltd. (CCIL) on CCIL's Forex Forward Guaranteed Segment as well as the impact of Article 25 of the European Regulation on OTC Derivatives, Central Counterparties and Trade Repositories (EMIR) on non-European Union, third country central counterparties (CCPs).

Malaysia

On June 5, ISDA together with Clifford Chance met with the Association of Islamic Banking Associations Malaysia (AIBIM) to discuss the use of the ISDA/IIFM Tahawwut Master Agreement (TMA) in Malaysia, the legal opinions relating to the TMA and collateral in Shari'ah' compliant transactions in Malaysia.

On June 6, ISDA participated in the Executives' Meeting of East Asia Pacific Central Banks (EMEAP) Working Group on Financial Markets Private Sector Roundtable discussion on financial benchmarks held in Kuala Lumpur.

On June 6, ISDA met with Bank Negara Malaysia (BNM), the Securities Commission of Malaysia (SC) and Malaysia Deposit Insurance Corporation (PIDM) to discuss recent legal and regulatory developments in Malaysia, including BNM's paper on "Single Counterparty Exposure Limit" released on 28 February, the enforceability of close-out netting and collateral against Malaysia-incorporated counterparties as well as developments relating to trade reporting and central clearing in Malaysia and the rest of Asia. The meeting also discussed recent developments relating to the Dodd-Frank Act and the European Market Infrastructure Regulation (EMIR), including EMIR Article 25, CRD 4 and Section 5(b) of the CEA. ISDA also provided an update on its ongoing efforts in these areas.

Hong Kong

On June 10, ISDA and the industry met with the HKMA and SFC to discuss "originate or execute" definitions under the trade reporting regime.

Committee/Working Group Activities

North Asia L&R

On June 25, ISDA held its Asia-Pacific Legal & Regulatory Committee Meeting (North Asia) in Hong Kong. ISDA provided an update on its discussions with HKMA relating to trading reporting, the launch of the CNH HIBOR fixing, the press release issued by Korean FSC regarding implementation of Basel III rules, FSC's draft regulation on central clearing of OTC derivatives and the related ISDA submission.

Other topics discussed included netting and collateral issues in Korea, the Australian Treasury's release of draft regulation to facilitate the operation of Australia's derivatives regime, the recent changes to the ABS financial benchmarks, the publication by the SFEMC of a suggested form of letter to wholesale customers on FX Benchmark Changes, the MAS Consultation Paper on Proposed Regulatory Benchmarks and the request for interest document issued by the Energy Market Authority for the Forward Sale Contract Scheme.

ISDA also provided an update on the ISDA Reporting Protocol, the ISDA/FOA Client Cleared OTC Derivatives Addendum, the publication of the ISDA 2013 Standard Credit Support Annex, the ISDA prepared overviews on U.S. and E.U. regulations, the granting of extension on equivalence assessments by the European Commission, the publication of new EMIR FAQs by the European Union and the approval by the U.S. Federal Reserve of an interim final rule for uninsured U.S. branch or agency of a foreign bank as an insured depository institution.

South Asia L&R

On June 27, ISDA held its Asia-Pacific Legal & Regulatory Committee Meeting (SA) in Singapore. ISDA provided an update on its trip to Mumbai from July 24 to 25 and also discussed the RBI circular on Prudential Norms for off balance sheet exposures of banks – deferment of option premium, the Maharashtra Tax Laws (Levy and Amendment) Act, 2013, the formation of the Standing Council of Experts by the Ministry of Finance to assess and make recommendations regarding the international competitiveness of the Indian financial sector and the invitation from the Ministry of Finance to provide comments on the Report of the Financial Sector Legislative Reforms Commission.

Other topics discussed included the Australian Treasury's release of draft regulation to facilitate the operation of Australia's derivatives regime, the launch of the CNH HIBOR fixing, an update on discussions with the HKMA relating to trading reporting, the press release by the FSC to announce its plan to implement Basel III rules in Korea, the draft regulation issued by the FSC on central clearing of OTC derivatives and the proposed ISDA submission on the same. ISDA updated the meeting on the recent changes to the ABS financial benchmarks.

The meeting also discussed the publication by the SFEMC of a suggested form of letter to wholesale customers on FX Benchmark Changes, the MAS Consultation Paper on Proposed Regulatory Benchmarks and the request for interest document issued by the Energy Market Authority for the Forward Sale Contract Scheme.

ISDA also provided an update on the ISDA Reporting Protocol, the ISDA/FOA Client Cleared OTC Derivatives Addendum, the publication of the ISDA 2013 Standard Credit Support Annex, the ISDA prepared overviews on U.S. and E.U. regulations, the granting of extension on equivalence assessments by the European Commission, the publication of new EMIR FAQs by the European Union and the approval by the U.S. Federal Reserve of an interim final rule for uninsured U.S. branch or agency of a foreign bank as an insured depository institution.

Operations/Market Infrastructure

On June 6, ISDA held its APAC Interest Rates Derivatives Operations Working Group meeting to brief members on the latest regional developments on rates. The group also discussed the addition/amendment of floating rate options/matrices, the issues on electronically confirming certain products, novation practice and the upcoming changes in certain rate fixings.

On June 13, ISDA held its APAC Equity Derivatives Operations Working Group meeting to brief members on the latest confirmation template development for Asian products. The group also discussed the confirmation matching requirements in US and Europe and the documentation practice upon occurrence of corporate action events.

On June 5, 7, 11, 14, 21, 24 and 25, ISDA held its AEJ Data and Reporting Compliance Working Group meetings to discuss the trade reporting matters in the region.

Member Activities

Malaysia Members' Meeting:

On June 5, ISDA held its members' meeting in Kuala Lumpur. Topics discussed included an update on the joint concept paper issued by BNM and PIDM in 2012 on recordkeeping and reporting requirements for OTC derivatives, the Financial Services Act 2013 and Islamic Financial Services 2013 which were published in the Gazette on 22 March, BNM's paper on Single Counterparty Exposure Limit published on 28 Feb, the coming into force of the Central Bank of Malaysia (Amendment) Act 2013 as well as the

announcement by the SC of the coming into force of the Capital Markets and Services (Amendment) Act 2012 and the Guidelines on Sales Practices on Unlisted Capital Markets Products.

The meeting also discussed the issue of enforceability of close-out netting and collateral against Malaysia-incorporated counterparties. ISDA also provided an update on the ISDA Reporting Protocol, the August 2012 and March 2013 ISDA Dodd-Frank Protocols, ISDA's recent meeting on arbitration clauses and the ISDA 2013 EMIR NFC Representation Protocol. ISDA also highlighted its letters dated January 9 and April 19 to Asian CCPs on the extraterritorial implications of EMIR Article 25 and Section 5(b) of the CEA as well as the impact of CRD 4 and its letter to Asia-Pacific regulators highlighting potential conflicts with local laws arising from the mandatory reporting of transactions under the Dodd-Frank Act.

India Members' Meeting

On June 25, 2013, ISDA held its Members Meeting in Mumbai. Topics discussed included the RBI circular on Prudential Norms for off balance sheet exposures of banks – deferment of option premium, the Maharashtra Tax Laws (Levy and Amendment) Act, 2013, the formation of the Standing Council of Experts by the Ministry of Finance to assess and make recommendations regarding the international competitiveness of the Indian financial sector, the invitation from the Ministry of Finance to provide comments on the Report of the Financial Sector Legislative Reforms Commission, Juris Corp's memorandum on the legal framework for CCPs in India, the results of the Indian netting survey and ISDA's submission dated March 20, 2013 to the Reserve Bank of India (RBI), the Ministry of Finance and The Clearing Corporation of India Limited on the CCIL Forex Forward Guaranteed Segment.

ISDA also provided an update on the ISDA Reporting Protocol, the ISDA Dodd-Frank Protocols, ISDA's initiatives on arbitration clauses, the ISDA 2013 EMIR NFC Representation Protocol, the ISDA prepared overviews on U.S. and E.U. regulations, the ISDA/FOA Client Cleared OTC Derivatives Addendum, the publication of the ISDA 2013 Standard Credit Support Annex, the Celent Study prepared for ISDA on "The Asian OTC Derivatives Markets".

Regulatory Developments

Australia: Treasury proposes draft regulations on trade reporting regime operation

Contact: Keith Noyes (knoyes@isda.org) / Cindy Leiw (cleiw@isda.org)

On June 5, the Australian Treasury released the Draft Regulation to Facilitate the Operation of Australia's Derivatives Trade Reporting Regime. The purpose of the Corporations Amendment (Derivatives Transactions) Regulation 2013 (the draft regulation) is to implement measures that temporarily restrict ASIC's rulemaking power in relation to end users, and operational measures to ensure the derivatives trade reporting regime has appropriate Regulations governing the enforcement of trade reporting rules and Regulations for confidential information. The draft regulation will commence on the day after it is registered.

The draft regulation temporarily restricts ASIC's rulemaking power from imposing requirements on end users. An end user is defined as a person who is not an authorized deposit taking institution, an Australian financial services licensee (and certain foreign person exempted from requiring a license), and a clearing and settlement facility licensee. This regulation ceases to have effect on December 31, 2014.

The draft regulations also inserts an enforceable undertaking regime, whereby ASIC may accept enforceable undertakings from person alleged to have not complied with section 901E and 903D as an alternative to civil proceedings. Undertakings that could be made are undertakings to perform or refrain from performing a specific action, or to pay a specified amount to a specified party. These undertakings

may be altered with ASIC's agreement. If a person breaches these undertakings, ASIC may apply to a court to make an order that the court considers appropriate, including orders directing the person to comply with the undertaking, to pay the benefit obtained by the breach to the Commonwealth, or to compensate a person who has suffered losses from the breach.

The draft regulations also inserts an infringement notice regime, which allows ASIC to request a person who is alleged to have contravened section 901E or 903D of the Act to pay a penalty to the Commonwealth, undertake remedial measures, enter into an undertaking or otherwise accept sanctions, as an alternative to civil proceedings. The offer of an infringement notice is at ASIC's discretion. The draft regulation sets out certain parameters for the infringement notice, such as: the circumstances under which an infringement notice can be given; what is required in the issuing of an infringement notice; and the details required, as well as others. The draft regulation also contains provisions on how information provided to ASIC will be treated under section 127 (confidentiality) of the ASIC Act. Submission deadline is June 20.

Hong Kong:

Securities and Futures (Amendment) Bill gazetted

Contact: Keith Noyes (knoyes@isda.org) / Jing Gu (jgu@isda.org)

The Securities and Futures (Amendment) Bill 2013 was gazetted on June 28 and comprises three key aspects:

- to introduce mandatory reporting, clearing and trading obligations in line with the G20 commitments;
- to provide for the establishment and regulation of the necessary infrastructure through which the mandatory obligations will be fulfilled;
- to provide for the regulation and oversight of key players in the OTC derivative market, i.e. authorized institutions (which covers licensed banks, restricted license banks and deposit-taking companies), approved money brokers, licensed corporations and other persons to be prescribed by subsidiary legislation.

Under the proposed regulatory regime, two new regulated activities (RAs) in relation to OTC derivatives will be introduced, namely a new Type 11 RA to cover the activities of dealers and advisers and a new Type 12 RA to cover the activities of clearing agents. In addition, the existing Type 9 RA (asset management) and Type 7 RA (provision of automated trading services) will be expanded to cover OTC derivative portfolios and transactions respectively.

The Bill will also provide for the regulation of systemically important participants who are not licensed or registered with either the Hong Kong Monetary Authority (HKMA) or the Securities and Futures Commission (SFC), but whose positions or transactions in the OTC derivative market are so significant that they may nevertheless raise concerns of potential systemic risks. The Bill will be presented to the Legislative Council for first reading on July 10.

HKMA announces rules for interim trade reporting

Contact: Keith Noyes (knoyes@isda.org) / Jeffrey Kan (jkan@isda.org)

On June 28, Hong Kong Monetary Authority (HKMA) announced rules for interim trade reporting. Licensed banks are required to report FXNDF and vanilla single currency interest rate swaps (Fixed vs Floating swaps, basis swaps and overnight indexed swaps) to a trade repository operated by the HKMA (HKMA-TR). Trades (including cleared transactions) conducted by a licensed bank and booked

in its Hong Kong office (or Hong Kong branch), of which the counterparty is also a licensed bank (or the original counterparty, in the case of cleared transactions), are required to report to HKTR within 2 business days (T+2 basis). Trades remain outstanding on August 5 or are traded on or after such date are subject to the reporting requirements. A grace period of approximately four months is granted to licensed banks to commence reporting by December 9 and a period of six months is granted to backload the transactions (including transactions entered on or before December 8) by February 4, 2014. All licensed banks are required to join HKTR regardless of whether they have any reportable transaction and whether they adopt direct or indirect reporting.

India:

RBI releases circular on prudential norms for off-balance sheet exposures of banks

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On June 18, the Reserve Bank of India (RBI) released its circular on Prudential Norms for Off-balance Sheet Exposures of Banks – Deferment of Option Premium. By way of background, banks are permitted to defer, at their discretion, the premium on plain vanilla options sold by them to users subject to certain prescribed conditions, with effect from January 25, 2012. This facility has now been extended to cost reduction forex option structures in which the liability of the users never exceeds the net premium payable to the bank under any scenario. Certain conditions have been prescribed such as deferral of the payment of premium for option structure with maturity of more than 1-year, provided that the premium payment period does not extend beyond the maturity date of the contract. Banks will also need to carry out the necessary due diligence with regard to the ability of users to adhere to the premium payment schedule.

Amendments to Maharashtra Stamp Act published

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The Maharashtra Tax Laws (Levy and Amendment) Act, 2013 (Mah. Act No. VIII of 2013) (2013 Act) (Indian version) was published in the Maharashtra Government Gazette and came into force on May 1. This Act amends certain tax laws in the State of Maharashtra. It provides that where any instrument referred to in clauses (a) to (g) of Section 30 of the Maharashtra Stamp Act is executed after the commencement of the 2013 Act, the liability to pay proper stamp duty shall be on such financial institution concerned without affecting their right, if any, to collect it from the other party. In respect of any such instrument executed before the commencement of the 2013 Act, and are effective and where proper stamp duty is not paid, the financial institution shall impound such instrument on or before September 30, 2013 and forward the same to the relevant authorities for recovery.

Korea:

FSC announces plan to implement Basel III rules

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On May 30, the Financial Services Commission (FSC) issued a press release to announce Korea's plan to implement Basel III rules as of December 1. The Basel III rules will be limited to bank capital requirements and leverage and liquidity standards will be adopted from 2015. The FSC also mentioned that Korean regulators will receive comments again on the revisions to the Regulations and Detailed Regulations on Supervision of Banking Business for the 20 days from May 31 to June 19, 2013 and the FSC will vote on the revisions in June.

FSS issues best practices for managing FX settlement risk

Contact: Keith Noyes (knoyes@isda.org) / Cindy Leiw (cleiw@isda.org)

On June 17, the Financial Supervisory Service (FSS) issued the Best Practices for Managing Settlement Risk in Foreign Exchange Transactions. The key recommendations are:

- A comprehensive internal risk management framework that ensures all FX settlement-related risks are properly identified, measured, monitored and controlled;
- A bank should maximize the use of PVP to eliminate principal risk when settling FX transactions, where practicable;
- In non-PVP settlements, a bank should set exposure limits for FX trading and settlement on a counterparty basis. A bank should use legally enforceable netting agreements and legally enforceable collateral arrangements;
- A bank should conduct stress tests on a regular basis and develop contingency plans to address possible liquidity shortfalls due to a counterparty's failure to settle. A bank should maximize the use of STP to control operational risks and ensure that netting and collateral agreements are legally enforceable for each aspect of its activities in all relevant jurisdictions;
- A bank should consider including principal risk and replacement cost risk among all FX settlement-related risk. A bank should ensure it has sufficient capital held against these potential exposures, as appropriate.

The best practices will be implemented on October 1. In the interim period, the FSS will assess whether banks are appropriately preparing for these recommendations.

Singapore:

ABS announces new financial benchmarks

Contact: Keith Noyes (knoyes@isda.org) / Cindy Leiw (cleiw@isda.org)

On June 14, the Associations of Banks in Singapore (ABS), in consultation with the Singapore Foreign Exchange Market Committee (SFEMC), announced the following changes to the ABS financial benchmarks:

- Ceasing publication on July 12, 2013 - USD/VND spot rate, SGD IRS rate, THB SOR rate and IDR SOR rate;
- Ceasing publication on August 5, 2013 - USD/MYR spot rate. This will be replaced with benchmarks in other jurisdictions;
- Ceasing publication on September 30, 2013 - SGD SOR rate (1wk, 2mths, 9mths and 12mths) and SGD SIBOR rate (2mths and 9mths);
- Ceasing publication on December 31, 2013 - USD SIBOR rate. This will be replaced with benchmarks in other jurisdictions.

The USD/VND spot rate benchmark, SGD IRS, IDR SOR and THB SOR rate benchmarks and the SGD SOR and SGD SIBOR rate benchmarks for the discontinued maturities are being discontinued due to the lack of liquidity in the underlying rates.

In order to facilitate a smooth transition to the new benchmarks, SFEMC has made a number of recommendations including:

- Rate swap and other contracts referencing the SGD SOR rate benchmarks for the continuing maturities of overnight, 1 month, 3 months or 6 months that may be entered into on or after October 1, 2013 should apply the corresponding new benchmarks;
- Parties should mutually agree to amend rate swap and other contracts referencing the existing SGD SOR rate benchmarks for the continuing maturities of overnight, 1 month, 3 months or 6 months that remain outstanding on October 1, 2013 to reference the new SGD SOR rate benchmark for the corresponding maturity;
- Parties should mutually agree to amend rate swap and other contracts referencing the existing SGD SOR rate benchmark for the discontinued maturities of 1 week and 2 months that remain outstanding on October 1, 2013 to reference a linearly interpolated rate using rates determined by reference to the new SGD SOR rate benchmarks for the maturities of overnight and 1 month, and 1 month and 3 months respectively;
- Parties should mutually agree to amend rate swap and other contracts referencing the existing SGD SIBOR rate benchmarks for the discontinued maturities of 2 months or 9 months that remain outstanding on October 1, 2013 to reference a linearly interpolated rate using rates determined by reference to the SGD SIBOR rate benchmarks for the continuing maturities of 1 month and 3 months, and 6 months and 12 months respectively;
- Parties should mutually agree to amend rate swap and other contracts referencing the existing USD SIBOR rate benchmark that remain outstanding on January 1, 2014 to reference the USD LIBOR rate benchmark;
- NDF and other relevant contracts referencing the USD/SGD, USD/THB or USD/IDR spot rate benchmarks that may be entered into on or after August 6, 2013 should apply the corresponding new benchmarks;
- NDF and other relevant contracts referencing the USD/MYR spot rate benchmark that may be entered into on or after August 6, 2013 should apply the onshore USD/MYR spot rate benchmark published on Reuters Screen MYRFX2 Page;
- Parties should mutually agree to amend NDF and other relevant contracts referencing the existing USD/SGD, USD/THB, USD/IDR or USD/MYR spot rate benchmarks that remain outstanding on August 6, 2013 to reference (as applicable) the new spot rate benchmarks for USD/SGD, USD/THB or USD/IDR or to reference the onshore USD/MYR spot rate benchmark published on Reuters Screen MYRFX2 Page.

ISDA will publish a Multilateral Amendment Agreement (Rates-MAA) to assist parties wishing to make the amendments described in paragraphs 2(b) to 2(e), and revise the 2006 ISDA Definitions accordingly. ISDA, together with EMTA, will publish a Multilateral Amendment Agreement (FX-MAA) to assist parties wishing to make the amendments described in paragraph 2(c), and revise Annex A to the 1998 FX and Currency Option Definitions and their relevant templates accordingly.

MAS proposes framework for financial benchmarks

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On June 14, MAS released a consultation paper on the Proposed Regulatory Framework for Financial Benchmarks, which aims to deter and penalize attempts to manipulate any financial benchmark, and to safeguard the credibility and reliability of key financial benchmarks in Singapore. MAS proposes to introduce a regulatory framework for the setting of financial benchmarks. The framework will be affected via amendments to the Securities and Futures Act (SFA).

The key elements of the proposed framework include:

- Introduce criminal and civil sanctions for manipulation of any financial benchmark;
- Provide legal powers to designate key financial benchmarks and subject their Administrators and Submitters to regulation;

- Issue best practice guidance for other benchmarks consistent with IOSCO Principles;
- Provide legal powers to compel entities to be Submitters to designated benchmarks.

MAS proposes that the Singapore Interbank Offered Rate (SIBOR) and the Swap Offer rate (SOR), administered by the Association of Banks in Singapore (ABS), be designated as financial benchmarks. As ABS also administers foreign exchange spot benchmarks (FX Benchmarks), which are largely used in the Non-Deliverable Foreign Exchange Forwards (NDFs) market, MAS is also proposing to include FX Benchmarks as designated benchmarks.

Deadline for comments is July 15.

MAS consults on derivatives contracts reporting

Contact: Keith Noyes (knoyes@isda.org) / Cindy Leiw (cleiw@isda.org)

On June 26, MAS released its consultation paper on Draft Regulations Pursuant to the Securities and Futures Act for Reporting of Derivatives Contracts (SF(RDC)R).

MAS proposes to require derivatives contracts which are traded in Singapore and/or booked in Singapore by specified persons to be reported to a licensed trade repository (LTR) or licensed foreign trade repository (LFTR). The term “traded in Singapore” means the execution of the specified derivatives contract by any trading desk (of a specified person) located in Singapore.

MAS proposed to subject non-financial specified person (NFSP) to the reporting obligation only when his aggregate gross notional amount of specified derivatives contracts traded in Singapore or aggregate gross notional amount of specified derivatives contracts booked in Singapore exceeds the reporting threshold of S\$8 billion. Once an NFSP exceeds the reporting threshold, he must notify MAS no later than one calendar month from the end of the quarter the threshold is exceeded. An NFSP ceases to be subject to the reporting obligation when both his aggregate gross notional amount of specified derivatives contracts traded in Singapore or aggregate gross notional amount of specified derivatives contracts booked in Singapore falls below the reporting threshold for four consecutive quarters. However, an NFSP will still be required to continue reporting any amendment, modification, variation or change to the information of all specified derivatives contracts that it had previously reported to the LTR or LFTR, even after it has stopped being subject to the reporting obligation. The Singapore Government and statutory boards; central banks; foreign central banks or agency of central government not incorporated for commercial purposes and; certain multilateral agencies, such as the Asian Development Bank, the Bank for International Settlements, the African Development Bank to name a few, will be exempt from the reporting obligation.

All asset classes will be reportable, however, it will be subject to a phased implementation process. Reporting will begin on Oct 31, 2013 for interest rate derivatives contracts and credit derivatives contracts. This will be followed by foreign exchange, equity and commodity derivatives contracts on Apr 1, 2014. FX spots will not be reported.

Reporting will also be subject to a phased implementation process by the type of reporting party which include banks/merchant banks; other FIs and NFSPs. Banks/merchant banks will have a transition period of one month from the Date of Listing. Other FIs will have three months from the Date of Listing and NFSPs will have six months from the Date of Listing. Each of these dates will be set out in the fourth schedule of the SF(RDC)R. Contracts with a remaining maturity of not less than one year as of the Date of Listing will need to be back-loaded. Firms will have six months from the reporting commencement date to do so. Contracts entered into on/ after the Date of Listing and before the reporting commencement

date will need to be reported and will be given six months to do so from the reporting commencement date.

MAS has the power under Section 128 of the SFA to allow specified persons who are complying with a comparable reporting regimes in foreign jurisdictions to be deemed as having complied with Section 125 of the SFA. MAS will await further international consensus before exercising such power.

Submission

On June 4, ISDA made submission to Hong Kong Monetary Authority regards to the reporting logic for historical records amendment. This submission is not yet public.

On June 20, ISDA made submission to The Treasury regards to Corporations Amendment (Derivatives Transactions) Regulation 2013. This submission is not yet public.

Upcoming committee and working group meetings/conferences

Meetings:

AEJ Data and Reporting Compliance Working Group Meeting	Jul 4
APAC IRD Operations Working Group Meeting	Jul 9
APAC Equity Operations Working Group Meeting	Jul 11
South Asia L&R Meeting	Jul 25
North Asia L&R Meeting	Jul 30

Conferences:

Extra-Territoriality in International Derivatives Regulation and Korea's Changing Regulatory Landscape for OTC Derivatives - Seoul	Jul 15
Understanding the ISDA Master Agreements Conference Including Close-outs under the ISDA Master Agreement – Singapore	Jul 17
Understanding Collateral Arrangements and the ISDA Credit Support Documents Conference Including Close-outs under the ISDA Credit Support Annex	Jul 18

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Please direct comments and questions about APAC Monthly Update to Donna Chan, dchan@isda.org

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