

September 8, 2011

From: Coalition of Financial Services Firms and Trade Associations

To: Hong Kong Monetary Authority

Financial Infrastructure Department
Hong Kong Monetary Authority
55th floor
Two International Finance Centre
8 Finance Street
Central
Hong Kong

**Re: July 2011 Consultation Paper on Logistical and Technical Arrangements
for Reporting to Hong Kong Trade Repository**

The coalition of financial services firms and trade associations (the “Trade Associations”) have reviewed the Hong Kong Monetary Authority’s (HKMA) consultative paper on reporting to the Hong Kong Trade Repository (HKTR) with a view towards understanding the HKMA’s current thinking on the identification of legal entities in trade reporting. The Trade Associations are pleased to note that the HKMA recognizes the progress made by the financial services industry and global regulators in developing a global legal entity identifier (LEI) standard and solution. We strongly support the HKMA’s position that, “Once the details of the global LEI scheme become available and the relevant LEI issuance authority is set up, the HKTR will work with the authority to consider how to factor the global LEI into the TR reporting arrangement in Hong Kong, in a way that will cause least possible additional effort to the HKTR members.”

In this regard we note that the Trade Associations have made the following recommendations for the LEI Solution Providers, which was recently welcomed by the Financial Stability Board (Press Statement of 18 July 2011):

- Standards body – The International Organization for Standardization, i.e., ISO’s new standard, ISO 17442, is recommended for use as the new, authoritative legal entity identification standard.
- Core Issuing and Facilities Manager – The Depository Trust & Clearing Corporation (DTCC) and the Society for Worldwide Interbank Financial Telecommunications (SWIFT), along with DTCC’s wholly-owned subsidiary AVOX Limited, are recommended as key partners to operate

the core LEI utility as the central point for data collection, data maintenance, LEI assignment, and quality assurance.

- Federated Registration – ANNA, through its network of local national numbering agencies (NNAs), is recommended as a key partner in the solution for registering, validating and maintaining LEIs for issuers, obligors, and other relevant parties in their home markets. The NNAs are envisioned to serve as the “face” of the LEI Utility to those markets while leveraging the functionality of the centralized LEI Utility for the assignment, further validation and global distribution of LEIs.

The Trade Associations believe that the LEI standard, issuance capability and management solution will be implemented and available for use before the likely effective date outlined in the consultative paper (January 2013). Hopefully, this will allow the HKMA to simply require the use of the global LEI standard in its final rule. We encourage the HKMA to continue to monitor progress of the LEI implementation in the coming months.

We appreciate the opportunity to comment on the HKMA’s consultative paper and would be happy to answer any questions about the LEI requirements or recommendation put forth by the Trade Associations (<http://www.sifma.org/issues/operations-and-technology/legal-entity-identifier/resources/>).

If you have any questions, please feel free to contact the coalition via the undersigned at 212-313-1260, or at tprice@sifma.org.

On behalf of the coalition of financial services firms and trade associations we are,

Sincerely,

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