



Regulatory Roundup

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Issue 84



In Brief

Mandatory Use of SFC Online Portal: All SFC applications, notifications and returns to submitted via SFC's online portal from February

European Market Infrastructure Regulation ("EMIR") - Final call for backloading: Deadline for final reporting approaches

UCITS and AIFs - Transparency Requirements: Transparency obligations arising under the SFTR now apply

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If any of the topics discussed above raise questions or a need for guidance or support, please feel free to contact [Peter Carlisle](#).



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Mandatory Use of SFC Online Portal



Useful Links:

[Portal](#)

Of relevance to:

Hong Kong Licenced Firms

Effective **1 February 2017**, all Hong Kong Securities and Futures Commission (“SFC”) applications, notifications and annual returns filed by Licensed Representatives (which includes Responsible Officers) must be submitted by way of the SFC’s online portal (“Portal”). Submissions by Licensed Corporations and their Substantial Shareholders and Directors will remain unchanged. The SFC advises this arrangement will increase its efficiency in handling Licensed Representatives’ notifications, which is achieved by passing the SFC’s current license database data entry role to Licensed Corporations.

In order to prepare for mandatory Portal submissions, you should have collated the log-in names and passwords for each of your Licensed Representatives and compiled them in a single list; an xls spreadsheet works well for this task.

Where are my Licensed Representatives’ Portal log-in names and passwords?

1. Portal log-in names and passwords were provided to the Licensed Corporation at the time each Licensed Representative was licensed by way of two separate letters, respectively, dispatched by post.
2. If you do not have log-in names and passwords available then you may access the Portal at the link given above and request the SFC to re-issue these items. For this process you need to have in hand for each Licensed Representative the following:
 - i. Name
 - ii. CE No (if known)
 - iii. Hong Kong ID or passport number previously reported to the SFC
 - iv. Email address
 - v. Contact telephone number

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Mandatory Use of SFC Online Portal (continued)



Following submission of this information via the Portal the SFC will send to the email given the new login data, which should be collected and retained as described above. Presumably, the SFC has upgraded the Portal's capacity to process the numerous requests for password resets which it will receive prior to the effective date.

HOW CAN WE HELP?

Complyport has a Hong Kong office with 6 staff, including its principal who is a US-trained capital markets lawyer and has worked establishing compliance programmes and providing on-going compliance advice to financial institutions in Hong Kong since 1996.

To find out more about how we can help with your Hong Kong compliance requirements, please contact your usual consultant or email us at info@complyport.co.uk

European Market Infrastructure Regulation (“EMIR”) - Final call for backloading



Useful Links:

[Regulatory Roundup 62](#)

[Implementing Regulation 1247/2012](#)

Of relevance to:

those entities subject to EMIR

It’s now nearly three years (12 February 2014) since the reporting obligation to report to a Trade Repository under EMIR came into force.

Firms subject to the EMIR reporting obligation may recall that there were **phased** reporting windows depending whether the contracts were:

- entered into before 16 August 2012 and were still outstanding at that date; and
- entered into on or after 16 August 2012

16 August 2012 is the date that EMIR, but not its provisions, came into force.

We would remind firms that the **final** reporting time frame ends **12 February 2017** as per Article 5(4) of Implementing Regulation 1247/2012- see Regulatory Roundup 62.

Therefore, those derivative contracts which were **not outstanding** on **12 February 2014** but which:

- were entered into before 16 August 2012 and were still outstanding on 16 August 2012; or
- were entered into on or after 16 August 2012

must be reported by 12 February 2017.

UCITS and AIFs - Transparency Requirements



Useful Links:

[SFTR: 2015/2365](#)

[Regulatory Roundup 76](#)

Of relevance to:

UCITS management companies and AIFMs

A reminder to **UCITS management companies** and **AIFMs** that certain transparency obligations arising under the Securities Financing Transactions Regulation (“SFTR” – 2015/2365) have applied from **13 January 2017** - see Regulatory Roundup 76.

A SFT is defined as:

- a repurchase transaction;
- securities or commodities lending and securities or commodities borrowing;
- a buy-sell back transaction or sell-buy back transaction;
- a margin lending transaction.

The effect is that affected firms will need to include in their periodic reports (half-yearly and annual for UCITS and annual for AIFs) the information as set out in section A of the Annex to the SFTR, although this is copied out in the Handbook as to:

- UCITS and NURS: COLL 4.5.8AA onwards
- Qualified investor schemes: COLL 8.3.5AA
- AIFs: FUND 3.3.7B.

The above obligations arise from Article 13 of the SFTR which extends transparency to the use of SFTs **and to total return swaps**.

For the record, Article 14 requires transparency in **pre-contractual documentation** (content based upon section B of the Annex to the SFTR) although this does not come into force until **13 July 2017** for those funds constituted before 12 January 2016. Interested firms can find these requirements in the Handbook now as to:

- UCITS and NURS: COLL 4.2.5A
- Qualified investor schemes: COLL 8.3.4A
- AIFs: FUND 3.2.4A

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[Peter Carlisle](#)

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