Joint consultation conclusions on proposed amendments to the Clearing Rules for over-the-counter derivative transactions

June 2026



HONG KONG MONETARY AUTHORITY
香港金融管理局



SECURITIES AND FUTURES COMMISSION
證券及期貨事務監察委員會

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A Introduction

1. The Hong Kong Monetary Authority (**HKMA**) and the Securities and Futures Commission (**SFC**) have established a comprehensive regulatory framework for over-the-counter (**OTC**) derivatives in Hong Kong since 2014. This regime introduces regulatory requirements for reporting, clearing, trading and record-keeping in relation to OTC derivative transactions.

2. In January 2026, the HKMA and the SFC issued a joint consultation paper (**Consultation Paper**) on the proposed approach to accommodate additional Calculation Periods beyond 2026 under the mandatory clearing requirements set out in the Clearing Rules[1].

3. Pursuant to rule 6 of the Clearing Rules, the clearing obligation in respect of a prescribed person arises when its applicable average (local) total position in relevant OTC derivative transactions in a specified period reaches a prescribed threshold (Clearing Threshold) for that period, currently set at US$ 20 billion. The prescribed person is required to start clearing relevant OTC derivative transactions with a designed central counterparty from a specified future date onward.

4. The current approach prescribes specific individual periods and dates for the above purposes as Calculation Periods (eg, 1 September 2026 to 30 November 2026) and Prescribed Days (eg, 1 July 2027) respectively in Schedule 2 to the Clearing Rules. This approach requires periodic legislative amendments to the Clearing Rules to include additional future Calculation Periods and the associated Prescribed Days as and when the last pair of the specifications is due to expire.

B Proposed approach for designating Calculation Periods beyond 2026

5. Given the stability of the existing mandatory clearing framework, we proposed in our Consultation Paper to amend the Clearing Rules to adopt a more efficient methodology for determining Calculation Periods, the Prescribed Day and the Clearing Threshold which in substance aligns the existing approaches.

6. In this regard, it was proposed in the Consultation Paper to amend Schedule 2 to the Clearing Rules by designating two calendar periods in each year going forward, ie, 1 March to 31 May and 1 September to 30 November of each year, as Calculation Periods, and specify 1 January and 1 July in the following year as the respective corresponding Prescribed Days. The proposed approach does not change the existing operational arrangements relating to Calculation Periods but eliminates the need for further regular amendments to the Clearing Rules simply to add additional Calculation Periods.

[1] The Securities and Futures (OTC Derivative Transactions – Clearing and Record Keeping Obligations and Designation of Central Counterparties) Rules.

7. The deadline for submitting comments on the proposed amendments to Schedule 2 to the Clearing Rules on designation of Calculation Periods was 27 February 2026. We received six submissions with the list of respondents set out in Annex 1 and the comments can be viewed on the websites of the HKMA and the SFC.

C Comments, Conclusions and Way Forward

Support for proposed changes

8. We received broad support from all six respondents[2] on the proposed approach to accommodate future Calculation Periods and the corresponding Prescribed Days under the Clearing Rules. They agreed that the proposed approach provides greater certainty on the clearing obligation, thus enabling more effective internal planning for market participants. One respondent further indicated that the proposed change provides a clear and operationally efficient framework for market participants, while reducing the need for future legislative amendments.

Implementation timeline

9. In view of the broad support, we will proceed with the legislative process for introducing the proposed amendments to the Clearing Rules. We would like to thank all those who shared their views with us during the consultation process.

10. We aim to table the draft proposed amendments to the Clearing Rules as attached to the Consultation Paper (recapped in Annex 2 to this paper) before the Legislative Council for negative vetting by the third quarter of 2026, and propose the amendments to take effect on 1 March 2027, the starting date of the proposed new series of Calculation Periods.

[2] We acknowledge a respondent's suggestion that regulators consider, for future review, a matter beyond the scope of this consultation—a technical amendment to the Clearing Rules relating to a potential exemption for OTC derivatives transactions subject to the clearing obligation.

ANNEX 1 – List of Respondents

(in alphabetical order)

Respondents whose comments are published on the websites of the HKMA and the SFC

1. DTC Association, The
2. Hong Kong Association of Banks, The
3. Hong Kong Bar Association, The
4. International Swaps and Derivatives Association, The (ISDA)
5. Ms Amelia Lo

Respondents who requested their names to be withheld

6. Anonymous

ANNEX 2 – Draft amendments to the Securities and Futures (OTC Derivative Transactions – Clearing and Record Keeping Obligations and Designation of Central Counterparties) Rules

Securities and Futures (OTC Derivative Transactions—Clearing and Record Keeping Obligations and Designation of Central Counterparties) (Amendment) Rules 2026

(Made by the Securities and Futures Commission under sections 101N and 101P of the Securities and Futures Ordinance (Cap. 571) with the consent of the Monetary Authority and after consultation with the Financial Secretary)

Schedule 2

Calculation Periods, Clearing Thresholds and Prescribed Days

Column 1	Column 2	Column 3	Column 4
Item	**Calculation period**	**Clearing threshold**	**Prescribed Day**
1.	1 September 2016 to 30 November 2016	US$20 billion	1 July 2017
2.	1 March 2017 to 31 May 2017	US$20 billion	1 January 2018
…	…	…	…
19.	1 March 2026 to 31 May 2026	US$20 billion	1 January 2027
20.	1 September 2026 to 30 November 2026	US$20 billion	1 July 2027
21.	From 1 March 2027 onwards, 1 March to 31 May in a year	US$20 billion	1 January in the following year
22.	From 1 March 2027 onwards, 1 September to 30 November in a year	US$20 billion	1 July in the following year