

Dear Client

### Hong Kong Regulatory Margin Regime – Non-Covered Entity Status Confirmation

The purpose of this communication is to confirm the status of each entity in your corporate group as a non-Covered Entity for purposes of all variation margin requirements set forth under Supervisory Policy Manual CR-G-14 (Non-centrally Cleared OTC Derivatives Transactions – Margin and Other Risk Mitigation Standards) issued by the HKMA (the “**Hong Kong Margin Rules**”). Capitalized terms not defined herein shall have the meanings set forth under the Hong Kong Margin Rules, which can be accessed here:

<http://www.hkma.gov.hk/media/eng/doc/key-functions/banking-stability/supervisory-policy-manual/CR-G-14.pdf>.

Under the Hong Kong Margin Rules, Standard Chartered Bank (Hong Kong) Limited (“**SCB HK**”), an Authorized Institution, is required to exchange Variation Margin (VM) for all in-scope non-centrally cleared over-the-counter (OTC) derivatives transactions entered into with a Covered Entity by no later than September 1, 2017. This means that SCB HK is not required to exchange VM with you for as long as you (or your corporate group) are not a Covered Entity. (Please refer to the Appendix which contains an extracted definition of “Covered Entity” for your ease of reference. You should, however, refer to the full definitions as set out in the Hong Kong Margin Rules.)

If you are aware, or become aware, that you or your corporate group falls within the definition of Covered Entity at any point of time, you are required to notify SCB HK immediately. Further, by continuing to trade OTC derivatives with us, you will be taken to have agreed to the foregoing notification requirement, and will be deemed to have confirmed to us that you or your corporate group does not fall within the aforesaid definition of Covered Entity.

Please send your response, if any, to this communication and any further questions you may have to your Private Banker.

Standard Chartered Bank (Hong Kong) Limited

If there is any discrepancy between the English and the Chinese language versions of this letter, the English version shall prevail.

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親愛的客戶：

### 香港監管保證金制度 — 非受涵蓋實體身份確認書

本函件旨在確認閣下的公司集團旗下各個實體的身份為非受涵蓋實體，藉以符合香港金融管理局發佈的監管政策手冊 CR-G-14 非中央結算場外衍生工具交易 — 保證金及其他風險緩解標準（「**香港保證金條例**」）項下載列的所有變動保證金規定。本函件未定義的詞彙具有香港保證金條例項下載列的涵義，閣下可於以下網址查閱香港保證金條例項下的詞彙：

<http://www.hkma.gov.hk/media/chi/doc/key-functions/banking-stability/supervisory-policy-manual/CR-G-14-Ch.pdf>。

根據香港保證金條例，作為認可機構，渣打銀行（香港）有限公司（「**渣打香港**」）必須於2017年9月1日或之前就所有範圍內與受涵蓋實體訂立的非中央結算場外衍生工具交易交換變動保證金。換言之，只要閣下或閣下的公司集團並非受涵蓋實體，渣打香港無須與閣下交換變動保證金。（為方便閣下參考，請參閱附錄所載「受涵蓋實體」的定義摘要。然而，閣下仍應參閱香港保證金條例所載的完整定義。）

如閣下在任何時候知悉或得知閣下或閣下的公司集團符合受涵蓋實體的定義，須立即知會渣打香港。此外，如閣下繼續與我們進行場外衍生工具交易，閣下將被視為已同意上述通知規定，並將被視為已向我們確認閣下或閣下的公司集團並不符合前述受涵蓋實體的定義。

如對本函件有任何回應及任何其他疑問，請諮詢閣下的私人銀行家。

渣打銀行（香港）有限公司

## Appendix – Definition

**Covered entity** means a financial counterparty, a significant non-financial counterparty, or another entity designated by the Hong Kong Monetary Authority, but excludes a sovereign, central bank, public sector entity, multilateral development bank, and the Bank for International Settlements

**Financial counterparty** refers to any entity for a one-year period from 1 September each year to 31 August of the following year, if the entity itself or the group to which it belongs has an average aggregate notional amount of non-centrally cleared derivatives exceeding HKD 15 billion (calculated pursuant to paragraph 2.4.9 of the Hong Kong Margin Rules) and means

- (i) an authorized institution (AI);
- (ii) a corporation licensed by the Securities and Futures Commission (SFC) under the Securities and Futures Ordinance (Cap 571) for any of the following types of regulated activities:
  - Type 1: Dealing in securities
  - Type 2: Dealing in futures contracts
  - Type 3: Leveraged foreign exchange trading
  - Type 4: Advising on securities
  - Type 5: Advising on futures contracts
  - Type 6: Advising on corporate finance
  - Type 8: Securities margin financing
  - Type 9: Asset management
  - Type 11: Dealing in OTC derivative products or advising on OTC derivative products
  - Type 12: providing client clearing services for OTC derivatives transactions
- (iii) a mandatory provident fund scheme registered under the Mandatory Provident Fund Schemes Ordinance (Cap 485);
- (iv) an occupational retirement scheme registered under the Occupational Retirement Schemes Ordinance (Cap 426);
- (v) a company authorized by the Insurance Authority to carry on any class of insurance business under the Insurance Companies Ordinance (Cap 41);
- (vi) a money service operator (i.e. remittance agents and money changers) licensed by the Commissioner of Customs & Excise under the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance (Cap 615);
- (vii) a money lender licensed under the Money Lenders Ordinance (Cap 163);
- (viii) a special purpose entity as defined in section 227 of the Banking (Capital) Rules (BCR), except where and to the extent that the special purpose entity enters into non-centrally cleared derivatives transactions for the sole purpose of hedging;
- (ix) a collective investment scheme as defined in section 1, Part 1 of Schedule 1 of the Securities and Futures Ordinance (Cap 571);
- (x) a private equity fund;
- (xi) an entity that carries on a business outside Hong Kong and is engaged predominantly in any one or more of the following activities:
  - Banking;
  - Securities business;
  - Management of retirement fund schemes;
  - Insurance business;
  - Operation of a remittance or money changing service;
  - Lending;
  - Securitisation (except where and to the extent that the related special purpose entity enters into non-centrally cleared derivatives transactions for the sole purpose of hedging);
  - Portfolio management (including asset management and funds management); and
  - Activities that are ancillary to the conduct of these activities.

**Significant non-financial counterparty** refers to any entity other than a financial counterparty for a one-year period from 1 September each year to 31 August of the following year, if the entity itself or the group to which it belongs has an average aggregate notional amount of non-centrally cleared derivatives exceeding HKD 60 billion (calculated pursuant to paragraph 2.4.9 of the Hong Kong Margin Rules).

## 附錄 一定義

**受涵蓋實體**指金融對手方、重大非金融對手方，或金融管理專員指定的其他實體，但不包括官方實體、中央銀行、公營單位、多邊發展銀行及國際結算銀行。

**金融對手方**指每當任何實體本身或所屬集團擁有的非中央結算衍生工具平均總計名義數額超過150億港元（依照第2.4.9段計算），則該實體在由9月1日至翌年8月31日的一年期內屬於金融對手方，並指

- (i) 認可機構；
- (ii) 根據《證券及期貨條例》（第571章）獲證券及期貨事務監察委員會發牌以進行以下任何類別的受規管活動的法團：
  - 第1類：證券交易
  - 第2類：期貨合約交易
  - 第3類：槓桿式外匯交易
  - 第4類：就證券提供意見
  - 第5類：就期貨合約提供意見
  - 第6類：就機構融資提供意見
  - 第8類：提供證券保證金融資
  - 第9類：提供資產管理
  - 第11類：場外衍生工具產品交易或就場外衍生工具產品提供意見
  - 第12類：為場外衍生工具交易提供客戶結算服務
- (iii) 根據《強制性公積金計劃條例》（第485章）註冊的強制性公積金計劃；
- (iv) 根據《職業退休計劃條例》（第426章）註冊的職業退休計劃；
- (v) 根據《保險公司條例》（第41章）獲保險業監督授權經營任何保險業務類別的公司；
- (vi) 根據《打擊洗錢及恐怖分子資金籌集（金融機構）條例》（第615章）獲海關關長發牌的金錢服務經營者（即匯款代理人及貨幣兌換商）；
- (vii) 根據《放債人條例》（第163章）獲發牌的放債人；
- (viii) 根據《銀行業（資本）規則》（《資本規則》）第227條定義的特定目的實體，但若該特定目的實體進行非中央結算衍生工具交易的唯一目的為對沖則除外；
- (ix) 根據《證券及期貨條例》（第571章）附表1第1部第1條定義的集體投資計劃；
- (x) 私募基金；
- (xi) 在香港以外經營業務，並主要從事以下一項或多項活動的實體：
  - 銀行業；
  - 證券業；
  - 管理退休基金計劃；
  - 保險業；
  - 經營匯款或貨幣兌換服務；
  - 借貸；
  - 證券化（若相關特別目的實體進行非中央結算衍生工具交易的唯一目的為對沖則除外）；
  - 投資組合管理（包括資產管理及基金管理）；及
  - 進行上述活動所附帶的活動。

**重大非金融對手方**指每當任何不屬金融對手方的實體本身或所屬集團擁有的非中央結算衍生工具平均總計名義數額超過600億港元（依照第2.4.9段計算），則該實體由9月1日至翌年8月31日的一年期內屬於重大非金融對手方。