

21 September 2007

**Conditions for Authorisation for Providing Automated Trading Services (ATS)  
under Part III of the Securities and Futures Ordinance (SFO)**

Pursuant to section 95(2) of the SFO, the Commission hereby authorises ASX Limited (ASX) for providing ATS in Hong Kong with effect from 21 September 2007. The authorisation will be subject to annual renewal thereafter and with the following conditions.

ASX shall undertake to:

1. Ensure that ASX admits as participants only corporations licensed by the Commission under Part V or authorised under Part III of the SFO unless the Commission agrees otherwise and ASX has proactively notified the Commission of the registration status of prospective participants in Hong Kong.
2. Upon prior written notice, provide the Commission with information relating to transactions (authorised by the Commission under section 95(2) of the SFO) to be conducted via the integrated trading system of ASX by participants in Hong Kong for the purposes of any inquiry or investigation by the Commission under the SFO into transactions originating from Hong Kong and/or the conduct of the participants of ASX in Hong Kong. Such information disclosure can be facilitated by the Memorandum of Understanding between the regulatory authorities of Hong Kong and Australia (namely, “Memorandum of Understanding between the Australian Securities & Investment Commission and the Securities and Futures Commission” for the exchange of information and investigatory assistance between the authorities), signed on 8 October 2001;
3. Notify the Commission on any material changes to the matters set out in paragraphs 52 and 62 of the Guidelines for the Regulation of ATS (dated 3 March 2003) and particularly to the matters specified below, prior to the changes taking effect –
  - 3.1. Company structure;
  - 3.2. The integrated trading system of ASX (including changes in operator of the system, hardware, software and other technology);
  - 3.3. Contractual responsibilities for participants of ASX in Hong Kong;
  - 3.4. Criteria for approval or disapproval of participants of ASX in Hong Kong; and
  - 3.5. Markets and products to be traded through the integrated trading system of ASX;
4. Put in place appropriate business continuity plan and disaster recovery programme for the operation of the integrated trading system and notify the Commission of any material changes to the plan or programme; and
5. Provide the Commission with the following **monthly** statistics:

5.1. The volume of trades (**by each participant of ASX**) conducted on the markets over the integrated trading system of ASX resulting from orders originating from Hong Kong; and

5.2. The aggregate volume of trades conducted on the markets over the integrated trading system of ASX.

Such statistics are to be provided at such intervals as the Commission may specify and, in the absence of any such specification, on a **quarterly** basis within two weeks after the end of March, June, September and December. A nil return is required if there is no trading in the relevant interval;

6. Notify the Commission of the identity, location and type of trading permission for each participant of ASX in Hong Kong (by providing a **monthly** status report within two weeks after the end of each month).

The Commission may, by notice in writing, amend or revoke the above conditions or impose new conditions where it is satisfied that it is appropriate to do so, pursuant to section 97 of the SFO.