

**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 Eurex Deutschland for providing ATS in Hong Kong through the system of Eurex Deutschland with effect from 11 October 2006. The authorisation will be subject to annual renewal thereafter and with the following conditions.

Eurex Deutschland shall undertake to:

1. Provide the Commission with the following **monthly** statistics:
 - 1.1. volume of trades (**by each member of Eurex Deutschland**) conducted on the markets Eurex Deutschland operates resulting from orders originating from Hong Kong; and
 - 1.2. aggregate volume of trades conducted on the markets Eurex Deutschland operates.

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;

2. Upon prior written notice from the Commission, provide the Commission with information relating to transactions (authorised by the Commission under section 95(2) of the SFO) to be conducted via Eurex Deutschland's system by members 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 members of Eurex Deutschland in Hong Kong. Such information disclosure can be facilitated by the Memorandum of Understanding between the regulatory authorities of Hong Kong and Germany ("Memorandum of Understanding between the Federal Securities Supervisory Office (now the Federal Financial Supervisory Authority (BaFin)) and the Securities and Futures Commission" for the exchange of information and investigatory assistance between the authorities), signed on 1 March 1998;
3. Notify the Commission with information on any material changes to the matters set out in paragraphs 52 and 62 of the Guidelines for the Regulation of ATS and particularly to the matters specified below, prior to the changes taking effect –
 - 3.1. Company structure;
 - 3.2. Eurex Deutschland's system (including changes in hardware, software and other technology);
 - 3.3. Markets and products to be traded through Eurex Deutschland's system by members in Hong Kong;

- 3.4. Contractual documentation, if there are direct or indirect changes to the contractual responsibilities, for members of Eurex Deutschland in Hong Kong; and
- 3.5. Criteria for approval or disapproval of members of Eurex Deutschland in Hong Kong;
4. Notify the Commission of the identity and location of members of Eurex Deutschland in Hong Kong (by providing a **monthly** status report);
5. Put in place appropriate business continuity plans and disaster recovery programmes for Eurex Deutschland's operations in Hong Kong and notify the Commission of any material changes to the plans/programmes; and
6. Ensure that Eurex Deutschland admits as members only corporations licensed by the Commission under Part V or authorised under Part III of the SFO unless the Commission agrees otherwise and Eurex Deutschland has proactively notified the Commission of the registration status of prospective members in Hong Kong.

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.