



NOTICE OF AUTHORIZATION TO PROVIDE AUTOMATED TRADING SERVICES

Pursuant to section 95(2) of the Securities and Futures Ordinance (**SFO**), the Securities and Futures Commission (**Commission**) hereby authorizes Tokyo Commodity Exchange, Inc. (**TOCOM**) to provide automated trading services (**ATS**) in Hong Kong via the NOMX Trading System subject to the following conditions –

1. TOCOM shall ensure that it admits as members only corporations licensed by the Commission under Part V of the SFO unless the Commission agrees otherwise and TOCOM has proactively notified the Commission of the registration status of prospective members in Hong Kong.
2. Upon prior written notice, TOCOM shall provide the Commission with information relating to transactions conducted via the NOMX trading system by TOCOM 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 TOCOM members in Hong Kong. Such information disclosure can be facilitated by the Multilateral Memorandum of Understanding of the International Organization of Securities Commissions (**IOSCO MMOU**) for the purposes of cross-border cooperation, exchange of information and investigatory assistance, to which the regulatory authorities of Hong Kong and Japan are signatories.
3. TOCOM shall notify the Commission of any material changes to the matters set out in paragraphs 52 and 62 of the Guidelines for the Regulation of ATS (dated March 2003) and particularly to the matters specified below, prior to the changes taking effect –
 - 3.1. Company structure;
 - 3.2. Business plan and marketing plan for Hong Kong;
 - 3.3. The NOMX trading system (including changes in hardware, software, and other technology);
 - 3.4. Contractual documentation if there are direct or indirect changes to the contractual responsibilities for members of TOCOM in Hong Kong; and
 - 3.5. Criteria for approval or disapproval of members of TOCOM in Hong Kong.
4. TOCOM shall put in place appropriate business continuity plans and disaster recovery programs for TOCOM's operation in Hong Kong and notify the Commission of any material changes to the plans or programs.



5. TOCOM shall provide the Commission with the following **monthly** statistics:
 - 5.1. The volume of trades (by each member of TOCOM in Hong Kong) conducted on the markets over the NOMX trading system resulting from orders originating from Hong Kong; and
 - 5.2. The aggregate volume of trades conducted on the markets over the NOMX trading system;

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. TOCOM shall notify the Commission of the identity and location of all TOCOM members in Hong Kong (by providing a **monthly** status report within two weeks after the end of each month).

DATE : 19 FEBRUARY 2014