



NOTICE OF AUTHORIZATION TO OFFER 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 Zhengzhou Commodity Exchange (**ZCE**) to offer to provide automated trading services (**ATS**) in Hong Kong subject to the following conditions—

1. ZCE may only provide ATS for the purpose of marketing its facilities as an exchange and any products traded through those facilities, and nothing in this authorization should be construed as permitting ZCE to establish or operate a market in Hong Kong.
2. ZCE must not implement any material change to its business plans and operations in Hong Kong unless it has received the Commission's prior written approval to do so.
3. ZCE must provide to the Commission such information relating to its activities in Hong Kong as the Commission may by notice require for the purposes of any inquiries or investigations conducted by the Commission. Such information disclosure can also be facilitated by the Multilateral Memorandum of Understanding of the International Organization of Securities Commissions for the purposes of cross-border cooperation, exchange of information and investigatory assistance, to which the Commission and the China Securities Regulatory Commission are signatories.
4. ZCE must notify the Commission of any material change to the matters set out in paragraph 55 of the Guidelines for the Regulation of ATS issued by the Commission, prior to such change taking effect. Where prior notification is not possible, ZCE must notify the Commission of the change immediately upon becoming aware of it.

5. ZCE must provide the Commission with the following **monthly** statistics on a **quarterly** basis:

- a. the volume of trades conducted during that calendar month, by each of ZCE's Hong Kong participants, with a breakdown in respect of each product or product class (as agreed by the Commission in writing) traded by that participant; and
- b. the aggregate volume of trades, in respect of each product or product class (as agreed by the Commission in writing), conducted during that calendar month.

Such statistics must be provided within two weeks after the end of the relevant calendar quarter or within such other period as the Commission may agree in writing. A nil return is required if no trade was conducted in the relevant reporting period.

6. ZCE must provide **monthly** reports of the identity and location of its participants in Hong Kong as at the end of the relevant calendar month on a **quarterly** basis, and such reports must be provided to the Commission within two weeks after the end of the relevant calendar quarter or within such other period as the Commission may agree in writing.

7. ZCE must provide its **annual** audited financial statements to the Commission within four months after the end of each financial year or within such other period as the Commission may agree in writing.

DATED: 11 October 2019