



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 Cboe Exchange, Inc. (**Cboe Inc.**) to provide automated trading services (**ATS**) in Hong Kong via the Cboe Command System subject to the following conditions—

1. Cboe Inc. may only provide ATS in Hong Kong to those of its members that are corporations licensed by the Commission under Part V of the SFO (unless the Commission agrees in writing otherwise). Additionally, such corporations must not be admitted as members unless Cboe Inc. has first proactively notified the Commission of its intention to admit them.
2. For the purposes of any inquiry or investigation by the Commission into the conduct of any of Cboe Inc.'s Hong Kong members, Cboe Inc. must provide the Commission with information relating to trades conducted by that member via the Cboe Command System. Such information disclosure can also be facilitated by (i) 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 U.S. Securities and Exchange Commission are signatories; as well as (ii) the two Memoranda of Understanding between the regulators signed on 5 October 1995 (namely the “Memorandum of Understanding between the United States Securities and Exchange Commission and the Hong Kong Securities and Futures Commission Concerning Consultation and Cooperation in the Administration and Enforcement of Securities Laws” and the “Declaration on Cooperation and Supervision of Cross-Border Investment Management Activity”).
3. Cboe Inc. 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, and particularly to the matters specified below, prior to the changes taking effect –



- 3.1. Cboe Inc.'s company structure, any substantial shareholders and, where a substantial shareholder is a corporation, the directors and substantial shareholders of that corporation;
 - 3.2. the Cboe Command System (including changes in hardware, software, and other technology);
 - 3.3. contractual documentation, if these result, or may result, in direct or indirect changes to the contractual responsibilities of Cboe Inc.'s Hong Kong members;
 - 3.4. criteria for admitting persons as Hong Kong members of Cboe Inc., or for revoking such membership; and
 - 3.5. markets and products that may be traded via the Cboe Command System by Cboe Inc.'s Hong Kong members.
4. Cboe Inc. must put in place appropriate business continuity plans and disaster recovery programs for Cboe Inc.'s activities in Hong Kong subject to this ATS authorization and notify the Commission of any material change to the plans or programs.
 5. Cboe Inc. must provide the Commission with the following **monthly** statistics on a **quarterly** basis:
 - 5.1. the volume of trades conducted during that month through the Cboe Command System, by each of Cboe Inc.'s Hong Kong members, with a breakdown in respect of each product or product class (as agreed by the Commission in writing) traded by that member via the Cboe Command System; and
 - 5.2. the aggregate volume of trades, in respect of each product or product class (as agreed by the Commission in writing), conducted during that month via the Cboe Command System.

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. Cboe Inc. must provide **monthly** reports of the identity and location of its members in Hong Kong as at the end of the relevant month, and such reports must be provided to the Commission within two weeks after the end of the relevant month or within such other period as the Commission may agree in writing.

7. Cboe Inc. 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: 5 October 2018