



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 Tradeweb Europe Limited (**TEL**) to provide automated trading services (**ATS**) in Hong Kong via the TEL system for the purposes of providing trading services in respect of transactions in bonds, including transactions under Bond Connect¹. The authorization is subject to the following conditions:-

1. TEL may only provide ATS in Hong Kong to its participants who are:-
 - 1.1. persons falling under paragraphs (a) to (i) of the definition of “professional investor” in section 1 of Part 1 of Schedule 1 to the SFO; or
 - 1.2. persons within the meaning of sections 3(a) and (c) respectively of the Securities and Futures (Professional Investor) Rules.Additionally each such participant in Hong Kong (**Hong Kong Participant**) must not be admitted as a participant unless TEL has first proactively notified the Commission of its intention to admit such participant.
2. TEL must inform the Commission of any material change to the matters set out in paragraphs 55 of the Guidelines for the Regulation of ATS issued by the Commission, and particularly to the matters specified below:-
 - 2.1. TEL’s company structure, any substantial shareholders, and where a substantial shareholder is a corporation, the directors and substantial shareholders of that corporation;
 - 2.2. the TEL system (including changes in hardware, software, and other technology);
 - 2.3. contractual documentation, if these result, or may result, in direct or indirect changes to the contractual obligations of TEL’s Hong Kong Participants;
 - 2.4. criteria for admitting persons as Hong Kong Participants of TEL, or for revoking such participants;
 - 2.5. bond types that may be traded via the TEL system by TEL’s Hong Kong Participants;
 - 2.6. regulatory requirements imposed on TEL’s operation by the Financial Conduct Authority, in particular changes in the capital adequacy requirements; and
 - 2.7. the arrangements in the facilitation of trading of bonds under Bond Connect.Any notification of change pursuant to this Condition must be given prior to the change taking effect or (if it is not reasonably practicable to give prior notification) as soon as practicable after the change takes effect.
3. TEL must inform the Commission any incident of material service breakdown or disruption of the TEL system operations that affect Hong Kong participants.

¹ Bond Connect is a mutual market access programme between Hong Kong and the Mainland for bonds trading under which investors in each jurisdiction can trade bonds in the other’s market via a connection between their respective Financial Infrastructure Institutions.

4. TEL must put in appropriate business continuity plans and disaster recovery programs for TEL's provision of ATS in Hong Kong via the TEL system, and notify the Commission of any material change to the plans or programs.
5. For the purposes of any inquiry or investigation by the Commission into the conduct of any TEL's Hong Kong Participants, TEL must provide the Commission with information relating to transactions executed, or submitted for execution by that participant via the TEL system. Such information disclosure can 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 regulatory authorities of Hong Kong and United Kingdom are signatories; as well as (ii) the Memorandum of Understanding between the Treasury and Securities and Investments Board (now the Financial Conduct Authority) and the Commission for the exchange of information and investigatory assistance, signed on 28 October 1992.
6. TEL must provide the Commission with information of any material complaints by Hong Kong Participants related to the operations of the TEL's System, against TEL or any of its officers or agents, as defendants in any civil or criminal proceeding, or in any administrative or disciplinary proceeding by any governmental agency or self-regulatory organization and a copy of any decision, order or sanction made with respect to any such proceedings.
7. TEL must provide the Commission with the following **monthly** statistics on a **quarterly** basis:-
In respect of trading via the TEL system:-
 - 7.1. the total volume of all trades (in terms of their aggregate notional amount) conducted during that calendar month via the TEL system, with a breakdown in respect of each bond and bond type (as agreed by the Commission in writing); and
 - 7.2. the total volume of all trades (in terms of their aggregate notional amount) conducted during that calendar month via the TEL system by each TEL's Hong Kong Participant, with a breakdown in respect of each bond or bond type (as agreed by the Commission in writing).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 month.
8. TEL must provide **monthly** reports of the identity and location of its Hong Kong Participants 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.
9. TEL 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: 9 June 2021