



## 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 Australian Securities Exchange Limited (**ASX 24**) to provide automated trading services (**ATS**) in Hong Kong via the New Trading Platform subject to the following conditions—

1. ASX 24 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 ASX 24 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 ASX 24's Hong Kong members, ASX 24 must provide the Commission with information relating to trades conducted by that member via the New Trading Platform. Such information disclosure can be facilitated by the "Memorandum of Understanding between the Australian Securities & Investment Commission and the Securities and Futures Commission" for the exchange of information and investigatory assistance between the authorities, signed on 8 October 2001; and 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 Australia are signatories.
3. ASX 24 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. ASX 24'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 New Trading Platform (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 ASX 24's Hong Kong members;
  - 3.4. criteria for admitting persons as Hong Kong members of ASX 24, or for revoking such membership; and
  - 3.5. markets and products that may be traded via the New Trading Platform by ASX 24's Hong Kong members.
4. ASX 24 must put in place appropriate business continuity plans and disaster recovery programs for ASX 24's activities in Hong Kong subject to this ATS authorization and notify the Commission of any material change to the plans or programs.
5. ASX 24 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 New Trading Platform, by each of ASX 24'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 New Trading Platform; 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 New Trading Platform.

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. ASX 24 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. ASX 24 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: 24 OCTOBER 2017