



## 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 Futures Exchange, LLC (**CFE LLC**) to provide automated trading services (**ATS**) in Hong Kong via the CFE System subject to the following conditions—

1. CFE LLC 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 CFE LLC 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 CFE LLC's Hong Kong members, CFE LLC must provide the Commission with information relating to trades conducted by that member via the CFE 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. Commodity Futures Trading 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 Commission and the U.S. Commodity Futures Trading Commission Concerning Consultation and Cooperation in the Administration and Enforcement of Futures Laws" and the "Declaration on Cooperation and Supervision of Cross-Border Managed Futures Activity").
3. CFE LLC 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. CFE LLC'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 CFE 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 CFE LLC's Hong Kong members;
  - 3.4. criteria for admitting persons as Hong Kong members of CFE LLC, or for revoking such membership; and
  - 3.5. markets and products that may be traded via the CFE System by CFE LLC's Hong Kong members.
4. CFE LLC must put in place appropriate business continuity plans and disaster recovery programs for CFE LLC's activities in Hong Kong subject to this ATS authorization and notify the Commission of any material change to the plans or programs.
  5. CFE LLC 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 CFE System, by each of CFE LLC'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 CFE 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 CFE 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. CFE LLC 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. CFE LLC 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: 29 March 2018