



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 Europe Limited (**Cboe Europe**) to provide automated trading services (**ATS**) in Hong Kong via the Cboe Europe Matching Engine subject to the following conditions—

1. Cboe Europe 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 Europe has first proactively notified the Commission of its intention to admit them.
2. With a view to limiting the ability of Cboe Europe's members in Hong Kong (**Hong Kong members**) to use the Cboe Europe Matching Engine to conduct trades in breach of Part IV of the SFO, Cboe Europe must put in place such controls and safeguards as the Commission may from time to time agree in writing, taking into account the particular system design and structure of the Cboe Europe Matching Engine, and how products may be offered and traded via that system.
3. With a view to limiting the ability of Cboe Europe's Hong Kong members to use the BXE and CXE Dark Books in the Cboe Europe Matching Engine to conduct trades in breach of the Commission's code on alternative liquidity pool trading, Cboe Europe must put in place such controls and safeguards as the Commission may from time to time agree in writing.
4. For the purposes of any inquiry or investigation by the Commission into the conduct of any of Cboe Europe's Hong Kong members, Cboe Europe must provide the Commission with information relating to trades conducted by that member via the Cboe Europe Matching Engine. Such information disclosure can be facilitated by: (i) the Enhanced Multilateral Memorandum of Understanding and 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 the 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.

5. Cboe Europe 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 –
 - 5.1. Cboe Europe's company structure, any substantial shareholders and, where a substantial shareholder is a corporation, the directors and substantial shareholders of that corporation;
 - 5.2. the Cboe Europe Matching Engine (including changes in hardware, software, and other technology);
 - 5.3. contractual documentation, if these result, or may result, in direct or indirect changes to the contractual responsibilities of Cboe Europe's Hong Kong members; and
 - 5.4. criteria for admitting persons as Hong Kong members of Cboe Europe, or for revoking such membership.
6. Cboe Europe must put in place appropriate business continuity plans and disaster recovery programmes for Cboe Europe's operation in Hong Kong and notify the Commission of any material change to the plans or programmes.
7. Cboe Europe must provide the Commission with the following **monthly** statistics:
 - 7.1. the volume of trades conducted during that month through the Cboe Europe Matching Engine, by each of Cboe Europe's Hong Kong members,

with a breakdown in respect of each product or product class (as agreed by the Commission in writing), and each order book, traded by that member through the Cboe Europe Matching Engine; and

- 7.2. the aggregate volume of trades, in respect of each product or product class (as agreed by the Commission in writing), and each order book, conducted during that month through the Cboe Europe Matching Engine.

Such statistics must be provided in the format and manner as specified by the Commission within two weeks after the end of the relevant month 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. Cboe Europe must provide **monthly** reports in the format and manner as specified by the Commission 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.
9. Cboe Europe 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: 25 March 2024