



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 EquiLend Limited (**EquiLend Ltd**) to provide automated trading services (**ATS**) in Hong Kong via the EquiLend Platform for the purposes of facilitating the conduct of securities loan transactions subject to the following conditions–

1. EquiLend Ltd may only provide ATS in Hong Kong to those of its participants 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 participants unless EquiLend Ltd 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 EquiLend Ltd's Hong Kong participants, EquiLend Ltd must provide the Commission with information relating to securities loan transactions conducted by that participant via the EquiLend Platform. 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 Commission and the Central Bank of Ireland are signatories; as well as (ii) the Declaration on Cooperation and Supervision of Cross-Border Investment Management Activity between the Central Bank of Ireland and the Commission signed in November 1997.
3. EquiLend Ltd 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 –
 - 3.1. EquiLend Ltd'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 EquiLend Platform (including changes in services, hardware, software, and other technology);
- 3.3. contractual documentation, if these result, or may result, in direct or indirect changes to the contractual obligations of EquiLend Ltd's Hong Kong participants;
- 3.4. criteria for admitting persons as Hong Kong participants of EquiLend Ltd, or for revoking such participation;
- 3.5. types of securities to be loaned through the EquiLend Platform by EquiLend Ltd's Hong Kong participants; and
- 3.6. regulatory requirements imposed on EquiLend Ltd by the Central Bank of Ireland, in particular changes in the capital adequacy requirements.

Any notification of the 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.

4. EquiLend Ltd must put in place appropriate business continuity plans and disaster recovery programs for EquiLend Ltd's provision of ATS in Hong Kong and notify the Commission of any material change to the plans or programs.
5. EquiLend Ltd must provide the Commission with the following **monthly** statistics on a **quarterly** basis:
 - 5.1. the outstanding volume of securities loan (in number of shares and value) conducted through the EquiLend Platform at month end, by each of EquiLend Ltd's Hong Kong participants, with a breakdown in respect of securities listed and traded on the Stock Exchange of Hong Kong Limited (**Hong Kong securities**) and non-Hong Kong securities conducted by that participant through the EquiLend Platform; and
 - 5.2. the outstanding volume of securities loan (in number of shares and value), in respect of each Hong Kong securities, conducted through the EquiLend Platform at month end.

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.

6. EquiLend Ltd must provide **monthly** reports of the identity and location of its participants 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. EquiLend Ltd 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: 2 January 2024