



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 Europe Limited (**EquiLend Europe**) 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 Europe 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 Europe 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 Europe's Hong Kong participants, EquiLend Europe 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 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.
3. EquiLend Europe must notify the Commission of any material change to the matters set out in paragraphs 52 and 62 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. EquiLend Europe'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 responsibilities of EquiLend Europe's Hong Kong participants;
 - 3.4. criteria for admitting persons as Hong Kong participants of EquiLend Europe, or for revoking such participantship;
 - 3.5. types of securities to be loaned through the EquiLend Platform by EquiLend Europe's Hong Kong participants; and
 - 3.6. regulatory requirements imposed on EquiLend Europe by the UK Financial Conduct Authority.
4. EquiLend Europe must put in place appropriate business continuity plans and disaster recovery programs for EquiLend Europe's operation in Hong Kong and notify the Commission of any material change to the plans or programs.
 5. EquiLend Europe 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 Europe'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 reporting period.



6. EquiLend Europe 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 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: 27 October 2015