



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 Creditex Brokerage LLP (**CBL**) to provide automated trading services (**ATS**) in Hong Kong via the **Creditex Trading Platform**. The authorization is subject to the following conditions:-

1. CBL may only provide ATS in Hong Kong to its participants who are:-
 - 1.1. persons falling under paragraphs (a) to (i) of the definition of "professional investor" in section 1 of Part 1 of Schedule 1 to the SFO; or
 - 1.2. persons within the meaning of sections 3(a), (c)(except section 6(b)(ii)) or (d) of the Securities and Futures (Professional Investor) Rules.

Additionally each such participant (**Hong Kong Participant**) must not be admitted as a participant unless CBL has first proactively notified the Commission of its intention to admit the participant.

2. For the purposes of any inquiry or investigation by the Commission into the conduct of any CBL's Hong Kong Participants, CBL must provide the Commission with information relating to trades conducted by that participant via the Creditex Trading Platform. Such information disclosure can be facilitated by (i) the Enhanced 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. CBL must inform the Commission of any material change to the matters set out in paragraphs 55 of the Guidelines for the Regulation of ATS issued by the Commission, and particularly to the matters specified below -
 - 3.1. CBL'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 Creditex 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 obligations of CBL's Hong Kong Participants;
 - 3.4. criteria for admitting persons as Hong Kong Participants of CBL, or for revoking such participants;
 - 3.5. product types that may be traded via the Creditex Trading Platform by CBL's Hong Kong Participants; and

3.6. regulatory requirements imposed on CBL's operation by the Financial Conduct Authority of the United Kingdom, in particular changes in the capital adequacy requirements.

Any notification of 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. CBL must put in place appropriate business continuity plans and disaster recovery programs for CBL's provision of ATS in Hong Kong, and notify the Commission of any material change to the plans or programs.
 5. CBL must provide the Commission with the following **monthly** statistics on a **quarterly** basis:-
 - 5.1. The total volume of all trades (in terms of their aggregate notional amount) conducted during that calendar month via the Creditex Trading Platform, with a breakdown in respect of each product or product type (as agreed by the Commission in writing); and
 - 5.2. The total volume of all trades (in terms of their aggregate notional amount) conducted during that calendar month via the Creditex Trading Platform by each CBL's Hong Kong Participant, with a breakdown in respect of each product or product type (as agreed by the Commission in writing).
- 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. CBL must provide **monthly** reports of the identity and location of its Hong Kong Participants 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. CBL 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 November 2019