

**Conditions for Authorization for Providing Automated Trading Services (ATS)
under Part III of the Securities and Futures Ordinance (SFO)**

Pursuant to section 95(2) of the SFO, the Commission hereby authorises ICE Futures for providing ATS in Hong Kong through the system of ICE Futures with effect from 23 August 2006. The authorisation is subject to annual renewal thereafter and with the following conditions:

1. Provide the Commission with **quarterly** statistics (including a nil return if there is no trading in the relevant period) of:
 - 1.1. monthly volume of trades (**by each member of ICE Futures**) conducted on the markets ICE Futures operates resulting from orders originated from Hong Kong; and
 - 1.2. the aggregate monthly volume of trades conducted on the markets ICE Futures operates,

within two weeks after the end of March, June, September and December;
2. Upon prior written notice from the Commission, provide the Commission with information relating to transactions (authorised by the Commission under section 95(2) of the SFO) to be conducted via ICE Futures' system by members in Hong Kong for the purposes of any inquiry or investigation by the Commission under the SFO into transactions originating from Hong Kong and/or the conduct of the members of ICE Futures in Hong Kong. Such information disclosure can be facilitated by the Memorandum of Understanding between the regulatory authorities of Hong Kong and United Kingdom ("Memorandum of Understanding between the Treasury and Securities and Investments Board (now the Financial Services Authority) and the Securities and Futures Commission" for the exchange of information and investigatory assistance between the authorities), signed on 28 October 1992;
3. Notify the Commission with information on any material changes to the matters set out in paragraphs 52 and 62 of the Guidelines for the Regulation of ATS and particularly to the matters specified below, prior to the changes taking effect –
 - 3.1. Company structure;
 - 3.2. ICE Futures' system (including changes in hardware, software and other technology);
 - 3.3. Markets and products to be traded through ICE Futures' system by members in Hong Kong;
 - 3.4. Contractual documentation, if there are direct or indirect changes to the contractual responsibilities, for members of ICE Futures in Hong Kong; and
 - 3.5. Criteria for approval or disapproval of members of ICE Futures in Hong Kong;

4. Notify the Commission of the identity and location of members of ICE Futures in Hong Kong (by providing a **monthly** status report);
5. Put in place appropriate business continuity plans and disaster recovery programmes for ICE Futures' operations in Hong Kong and notify the Commission of any material changes to the plans/programmes; and
6. Ensure that ICE Futures admits as members only corporations licensed by the Commission under Part V or authorised under Part III of the SFO unless the Commission agrees otherwise and ICE Futures has proactively notified the Commission of the registration status of prospective members in Hong Kong.

The Commission may, by notice in writing, amend or revoke the above conditions or impose new conditions where it is satisfied that it is appropriate to do so, pursuant to section 97 of the SFO.