



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 Bloomberg Trading Facility Limited (**BTF**) to provide automated trading services (**ATS**) in Hong Kong via the Bloomberg Multilateral Trading Facility (**BMTF**). The authorization is subject to the following conditions:-

1. BTF 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), (d)(i), (d)(iii) or (d)(iv) of the Securities and Futures (Professional Investor) Rules.

Additionally each such participant (**Hong Kong Participant**) must not be admitted as a participant unless BTF has first proactively notified the Commission of its intention to admit the participant.
2. With a view to limiting the ability of BTF's Hong Kong participants to use the BMTF to conduct trades in breach of Part IV of the SFO, BTF 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 BMTF, and how products may be offered and traded via that system.
3. For the purposes of any inquiry or investigation by the Commission into the conduct of any BTF's Hong Kong Participant, BTF must provide the Commission with information relating to trades conducted by that participant via the BMTF. 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; (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; as well as (iii) the Memorandum of Understanding between the Financial Conduct Authority and the Commission regarding mutual assistance in the supervision and oversight of Regulated Entities in the jurisdiction of the Authorities, signed in July 2017.
4. BTF 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 -
 - 4.1. BTF's company structure, any substantial shareholders, and where a substantial shareholder is a corporation, the directors and substantial shareholders of that corporation;
 - 4.2. the BMTF (including changes in hardware, software, and other technology);
 - 4.3. contractual documentation, if these result, or may result, in direct or indirect changes to the contractual obligations of BTF's Hong Kong Participants;



- 4.4. criteria for admitting persons as Hong Kong Participants of BTF, or for revoking such participants;
- 4.5. product types that may be traded via the BMTF by BTF's Hong Kong Participants; and
- 4.6. regulatory requirements imposed on BTF'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.

5. BTF must put in appropriate business continuity plans and disaster recovery programs for BTF's provision of ATS in Hong Kong, and notify the Commission of any material change to the plans or programs.
6. BTF must provide the Commission with the following **monthly** statistics on a **quarterly** basis:-
 - 6.1. The total volume of all trades (in terms of their aggregate notional amount) conducted during that calendar month via the BMTF, with a breakdown in respect of each product or product type (as agreed by the Commission in writing); and
 - 6.2. The total volume of all trades (in terms of their aggregate notional amount) conducted during that calendar month via the BMTF by each BTF'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.

7. BTF 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.
8. BTF 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: 13 February 2018