



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 Bourse de Montréal Inc. (**MX**) to provide automated trading services (**ATS**) in Hong Kong via the **SOLA Trading System** in respect of transactions in options and futures. The authorization is subject to the following conditions:-

1. **MX** may only provide **ATS** in Hong Kong to those of its members 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 members unless **MX** 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 **MX**'s Hong Kong members, **MX** must provide the Commission with information relating to trades conducted by that member via the **SOLA Trading System**. Such information disclosure can be facilitated by (i) the Multilateral Memorandum of Understanding (**MMOU**) and the Enhanced Multilateral Memorandum of Understanding (**EMMOU**) 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 Canada (Quebec) are signatories; as well as (ii) the Memorandum of Understanding between the Commission des valeurs mobilières du Québec (now the **Autorité des marchés financiers**) and the Commission for the exchange of information and investigatory assistance, signed on 25 May 1998.
3. **MX** must inform 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. **MX**'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 **SOLA Trading System** (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 **MX**'s Hong Kong members;
 - 3.4. criteria for admitting persons as Hong Kong members of **MX**, or for revoking such membership;
 - 3.5. product types that may be traded via the **SOLA Trading System** by **MX**'s Hong Kong members; and
 - 3.6. regulatory requirements imposed on **MX**'s operation by the **Autorité des marchés financiers** of the Quebec, Canada, 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. MX must put in place appropriate business continuity plans and disaster recovery programs for MX's provision of ATS in Hong Kong, and notify the Commission of any material change to the plans or programs.
5. MX 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 SOLA Trading System, 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 SOLA Trading System by each MX's Hong Kong member, 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. MX must provide **monthly** reports of the identity and location of its Hong Kong members 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. MX 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: 24 September 2021