



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 ICE Clear Singapore Pte. Ltd. (ICSG) to provide automated trading services (ATS) in Hong Kong via the **ICE Clear Singapore Clearing system** for the purposes of providing clearing and settlement services of trades executed on ICE Futures Singapore Pte. Ltd. in Hong Kong. The authorization is subject to annual renewal thereafter and the following conditions-

1. ICSG may only provide ATS in Hong Kong in respect of trades executed on or which are subject to the rules of ICE Futures Singapore Pte. Ltd..
2. ICSG may only provide ATS in Hong Kong to those of its clearing members that are corporations licensed or institutions registered by the Commission under Part V of the SFO. Additionally, such corporations or institutions must not be admitted as clearing members unless ICSG has first proactively notified the Commission of its intention to admit them.
3. For the purposes of any inquiry or investigation by the Commission into the conduct of any ICSG's Hong Kong clearing members, ICSG must provide the Commission with information relating to transactions cleared by that member via the ICE Clear Singapore Clearing system. 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 Singapore are signatories; and (ii) the Memorandum of Understanding between the Commission and the Monetary Authority of Singapore regarding the cooperation and the exchange of information related to the supervision of cross-border clearing organization, signed on 10 November 2020.
4. ICSG must notify the Commission of any material changes to the matters set out in paragraphs 55 of the Guidelines for the Regulation of ATS (dated 1 September 2016) issued by the Commission, and particularly to the matters specified below, prior to the changes taking effect –
 - 4.1. ICSG'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 ICE Clear Singapore Clearing system (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 responsibilities of ICSG's Hong Kong clearing members;
 - 4.4. criteria for admitting persons as Hong Kong clearing members of ICSG, or for revoking such membership;

- 4.5. markets and products that may be cleared via the ICE Clear Singapore Clearing system by ICSG's Hong Kong clearing members;
- 4.6. the clearing and settlement services made available by ICSG to its Hong Kong clearing members; and
- 4.7. clearing risk management framework, policies and procedures that have implications to ICSG's Hong Kong clearing members.

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 effects.

5. ICSG must put in place appropriate business continuity plans and disaster recovery programs for ICSG's activities in Hong Kong subject to this ATS authorization and notify the Commission of any material changes to the plans or programs;
6. ICSG must provide the Commission with the following **monthly** statistics on a **quarterly basis**:
 - 6.1. the total volume of all trades (in number of contracts) cleared and settled during that month directly through the ICE Clear Singapore Clearing system, by each of ICSG's Hong Kong clearing members, with a breakdown in respect of each product or product class (as agreed by the Commission in writing) cleared by that member via the ICE Clear Singapore Clearing system;
 - 6.2. the open interest at month end, with a breakdown in respect of each product or product class (as agreed by the Commission in writing), of each ICSG's Hong Kong clearing member; and
 - 6.3. the margin and collateral balances, and the default fund contribution at month end of each ICSG's Hong Kong clearing member.

The above 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 cleared and settled in the relevant reporting period.

7. ICSG must provide **monthly** reports of the identity and location of its clearing members 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.
8. ICSG 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.