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 (the **Commission**) hereby authorizes Bloomberg Tradebook Hong Kong Limited (**TBHK**) to provide automated trading services (**ATS**) in Hong Kong via the E-Bond System, Bond Connect[1] and its related connect initiatives, and CIBM Direct (collectively, **Services**). The authorization is subject to the following conditions:-

1. TBHK 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) and (c) respectively of the Securities and Futures (Professional Investor) Rules.

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

2. TBHK must maintain sufficient financial resources for the proper performance of its functions and obligations as an authorized ATS provider.

3. TBHK 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. TBHK'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 Services (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 TBHK's Hong Kong Participants;

   3.4. criteria for admitting persons as Hong Kong Participants of TBHK, or for revoking such participantship;

   3.5. product types that may be traded via the Services by TBHK's Hong Kong Participants; and

   3.6. the arrangements in the facilitation of trading of products under the Services.

   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.

[1] Bond Connect is a mutual market access programme between Hong Kong and Mainland China for bonds trading under which investors in each jurisdiction can trade bonds in the other's market via a connection between their respective financial infrastructure institutions.

4. TBHK must inform the Commission any incident of material service breakdown or disruption of the Services operations that affect Hong Kong Participants.

5. TBHK must put in place appropriate business continuity plans and disaster recovery programs for TBHK's provision of ATS in Hong Kong via the Services, and notify the Commission of any material change to the plans or programs.

6. TBHK must keep full records of its ATS operations including audit trails of ATS activities in Hong Kong in relation to the Services and provide the Commission with such records upon request.

7. Upon prior written notice from the Commission –

   7.1. Provide the Commission with information; or

   7.2. Grant access to the Commission or its authorized staff or agents and facilitate and provide reasonable assistance to enable inspection by such authorized staff or agents of any TBHK's books, records, or operations,

   relating to transactions authorized by the Commission under section 95(2) of the SFO to be conducted via the Services by Hong Kong Participants or the purposes of any inquiry or investigation by the Commission under the SFO into transactions originating from Hong Kong and/or the conduct of Hong Kong Participants of the Services;

8. TBHK must provide the Commission with information of any material complaints by Hong Kong Participants related to the operations of the Services, against TBHK or any of its officers or agents, as defendants in any civil or criminal proceeding, or in any administrative or disciplinary proceeding by any governmental agency or self-regulatory organization and a copy of any decision, order or sanction made with respect to any such proceedings.

9. TBHK must provide the Commission with the following **monthly** statistics on a **quarterly** basis:-

   In respect of trading via the Services,

   9.1. the total volume of all trades (in terms of their aggregate notional amount) conducted during that calendar month via the Services, with a breakdown in respect of each product or product type (as agreed by the Commission in writing); and

   9.2. the total volume of all trades (in terms of their aggregate notional amount) conducted during that calendar month via the Services by each TBHK'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.

10. TBHK 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.

11. TBHK 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: 7 February 2025