



NOTICE OF AUTHORIZATION TO PROVIDE AUTOMATED TRADING SERVICES

ISSUED TO SHANGHAI STOCK EXCHANGE 《上海證券交易所》

UNDER SECTION 95 OF THE SECURITIES AND FUTURES ORDINANCE

INTRODUCTION

Background

- 1 On 10 April 2014, the China Securities Regulatory Commission (**CSRC**) and the Securities and Futures Commission (**SFC**) issued a joint announcement noting that they had approved, in

principle the development of a pilot programme 《Shanghai-Hong Kong Stock Connect 滬港
股票市場交易互聯互通機制》) for establishing mutual stock market access between Mainland
China and Hong Kong, which would operate among the following entities –

(1) Shanghai Stock Exchange 《上海證券交易所》(SSE) which is regulated by the CSRC

(2) Hong Kong Stock Exchange 《香港證券交易所》(HKEX) which is regulated by the SFC

Shanghai-Hong Kong Stock Connect

4. Under Shanghai-Hong Kong Stock Connect –

- (1) SEHK and SSE will establish mutual market connectivity and related technical infrastructure (**Trading Link**) to enable investors trading through Mainland securities

firms that are participants of SSE (**Southbound investors**) to trade certain securities listed on the SEHK (**SEHK securities**), and investors trading through Hong Kong brokers that are participants of SEHK (**Northbound investors**) to trade certain securities listed



AUTHORIZATION

7. In view of the matters described in paragraphs 4 to 6 above, and pursuant to section 95(2) of the

Securities and Futures Ordinance (SFO), the SFC hereby authorizes SSE to provide ATS for the purposes of facilitating the conduct

of trading under Shanghai-Hong Kong Stock Connect which has been routed as described in

paragraph 4(1) above, and subject to the conditions set out in paragraphs 8 to 15 below.

8. The authorization is given on the basis that SSE will comply with the conditions set out in paragraphs 8 to 15 below.

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paragraph 4(1) above, and subject to the conditions set out in paragraphs 8 to 15 below.



Hong Kong Stock Connect as the SFC may at any time, and from time to time, reasonably request.

SSE-subsiidiary

14. By notice dated 24 October 2014, the SFC authorized SSE-subsiidiary under section 95(2) of the SFO to provide ATC for the purposes of the provision of certain services and facilities under

Shanghai-Hong Kong Stock Connect. SSE must supervise SSE-subsiidiary in order to ensure that it complies with the conditions of that authorization. SSE must also immediately inform the SFC of any breach, or potential breach, by SSE-subsiidiary of any of the conditions of that authorization upon becoming aware of the same.

Service

15. Any notice or other document issued or served by the SFC on SSE in connection with this