



**NOTICE OF AUTHORIZATION TO PROVIDE AUTOMATED TRADING SERVICES
ISSUED TO CHINA FOREIGN EXCHANGE TRADE SYSTEM (NATIONAL INTERBANK FUNDING
CENTER)**

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UNDER SECTION 95 OF THE SECURITIES AND FUTURES ORDINANCE

INTRODUCTION

Background

1. On 16 May 2017, the People's Bank of China (**PBoC**) and the Hong Kong Monetary Authority (**HKMA**) issued a joint announcement noting that they had approved China Foreign Exchange Trade System (National Interbank Funding Center) (**CFETS**), China Central Depository & Clearing Co., Ltd (**Chinabond**) and Shanghai Clearing House (collectively, **the Mainland Financial Infrastructure Institutions**), together with Hong Kong Exchanges and Clearing Limited (**HKEX**) and Central Moneymarkets Unit (**CMU**) (collectively, **the Hong Kong Financial Infrastructure Institutions**), to collaborate in establishing mutual bond market access between Hong Kong and Mainland China (**Bond Connect**,   



Bond Connect

3. Bond Connect will entail the following.
 - (1) A northbound trading link (**Northbound Trading Link**)



Operations

7. CFETS shall only provide ATS for the purposes of facilitating the conduct of trading under Bond Connect.
8. CFETS shall not enter into any agreement with a platform operator to provide services as an Access Platform or a market maker to provide quotes as a Designated Market Maker under the direct trading access arrangement unless it has first given sufficient prior notification or (if it is not reasonably practicable to give prior notification) as soon as practicable, in writing, to