

## HKEX INFORMATION SERVICES LIMITED

(A wholly-owned member of the Hong Kong Exchanges and Clearing Limited Group)

### **Guiding Note on Business Support Unit** (previously known as *Guideline on Demonstration and Development Unit*) **Securities and Derivatives Market Data** (for real-time data vendors)

#### **PURPOSE**

In order to assist information vendors (IVs) in business development, HKEX will waive subscriber fees for a limited number of subscription units that are employed *solely* for business support purposes.

This guiding note is only applicable to IVs who offer real-time securities market data and/or derivatives market data services in the market. It supersedes any previous guideline/guiding note on Business Support Units (or Demonstration and Development Units).

#### **DETAILS**

Subscriber fees will be waived for units that meet the following criteria:

1. Application of business support units:

- Business Support units are granted to IV for the purpose of:
  - i. marketing, demonstration or direct sales to promote market data redistribution;
  - ii. system development, system maintenance or system monitoring in order to develop or maintain the information vending business; and
  - iii. customer support hotlines.
- The business support units should be located within the IV's premises.
- Mobile business support units such as pagers, mobile phones, PDA's or internet services that need to be taken out of the IV's premises for direct sales and marketing purposes or field tests should be owned, physically kept and maintained by the staff members of the IV. Any active units kept on the premises/custody of a third party entity for more than one day will be considered as fee-liable units.
- No business support units will be allowed for third party marketing agents unless:
  - i. the market agent was properly approved by HKEX Information Services Limited ("HKEX-IS"). Names of approved marketing agents will be marked in the Memorandum of Permitted Purpose of the Market Data Vendor Licence Agreement ("the Agreement") and/or in the respective service application forms approved by HKEX-IS.; and
  - ii. the IV has sought prior written approval from HKEX-IS regarding the allocation of a pre-determined number of business support units on prearranged IV services to the marketing agent. The IV has to ensure that the marketing agent will fully comply with the Policy herein.
- Where a third party service provider is employed to assist with its system development or system monitoring, the IV shall not provide the service provider with data access unless prior approval is granted by HKEX-IS. Information including name, address and contact person of the third party service provider, reasoning, the scope of task engagement, number of units and time frame of the engagement is required. These items will be reviewed by HKEX-IS and explicit approval in writing must be obtained before data access can be granted to the third party service provider. The IV has to ensure that the third party service provider will fully comply with the Policy herein.

2. Maximum number of business support units: At any given time, a IV's total number of business support units for Securities Market Data or Derivatives Market Data should not exceed 50 units respectively unless prior written approval from HKEX-IS is obtained. If an IV requests for more than the prescribed amount of business support units, HKEX-IS would consider increasing the number of business support units based on the schedule below:

Regular Subscriber Fees per Datafeed	Discounted Monthly Fee for Business Support units	
	No. of Subscriber units	Monthly Fee Applicable
<b>1. Securities Market Data</b>  Max. HK\$200	The first 50 units or units equivalent to 5% of the total number of units in the Reference Month *, whichever higher.  By request, further units on special discount of 50%	Free of Charge  \$60 per unit for Level 1 data \$100 per unit for Level 2 data*
<b>2. Derivatives Market Data</b>  Max. HK\$75	The first 50 units or units equivalent to 5% of the total number of units in the Reference Month, whichever higher.  By request, further units on special discount of 50%	Free of Charge  \$13 per unit for data without price depth \$38 per unit for data with price depth*
* The above discounted subscriber fees for business support units will be subject to one monthly cap of \$8,000 per IV across the Securities Market Data and Derivatives Market Data.		

\* The Reference Month is the month with the highest number of subscriber units (as reported in the Monthly Subscriber Reports) in the immediate past six months from the time the IV submits the application for additional Free Trial units and/or Business Support units.

3. Sole Purposes: These business support units should be employed solely for the purposes mentioned above and should not be employed directly or indirectly for trading or as supporting tools for trading since devices employed for trading are fee-liable units. The business support units and the corresponding services must be provided free of charge.
4. Reporting: The business support units are the maximum allowable units for IV for the aforementioned purposes. IV should declare and report the actual number of business support units in the Monthly Summary Subscriber Report. Report templates will be available from HKEX-IS upon request.
5. Proper Internal Record Keeping: The IV is required to keep clear and proper audit trails on usage and location of the business support units for HKEX-IS audit purposes. For mobile business

support units, the IV must implement proper procedures to establish the true and full identity of each staff member who was keeping the mobile business support units for the IV. Upon request, the IV must be able to demonstrate, to the satisfaction of HKEX-IS, that the business support units were used for the allowed purposes and that the IV is in full compliance with the Policy for business support units.

6. On-site Inspection: HKEX-IS shall have the right to inspect the internal systems, the records and the actual business support units of the IV in order to establish that the IV is offering the business support units in accordance with the Policy. Upon request, the IV must be able to demonstrate that the business support units and relevant devices are being used, and have only been used for the sole purposes mentioned above. IVs reported with business support units should allow HKEX-IS to access the related records and systems in 3 working days upon receipt of the HKEX-IS written request.
7. HKEX-IS reserves the right to introduce additional conditions, refine or amend any existing conditions of the Policy and/or withdraw the Policy for business support units at any time without prior notice.
8. HKEX-IS reserves the right to charge licence fees over the business support units together with interest if, in HKEX-IS's reasonable belief, the IV is offering the business support units in violation of the terms and conditions of the Policy herein.

If IVs want to apply or have any questions, comments or doubts regarding business support unit, please contact the Data Licensing & Marketing Team of Market Data Department via [MarketData@HKEX.com.hk](mailto:MarketData@HKEX.com.hk).