

Guiding Note for the Use of HKEX Market Data at HKEX Hosting Data Centre

(for Licensed Information Vendors, End-Users and Application Service Providers)

PURPOSE

HKEX started offering Hosting Services from December 2012. HKEX Information Services (China) Limited (“HKEX-IS (China)”)’s licensed information vendors (“IVs”) and end-users (“EUs”) may receive HKEX real-time market data directly or indirectly via HKEX Service Network (“HSN”) within the HKEX Hosting Data Centre (“HDC”). This document aims to provide guidance to all parties that may access and use HKEX market data within HDC.

DETAILS

- 1 Please note that there will be **no new fees** for direct connection IVs, direct connection EUs or ASPs accessing and using market data within HDC. If the IV, EU or ASP migrates its existing SDNet connections to HSN, the Connection Fee will remain unchanged. IVs, EUs or ASPs may choose to receive market datafeeds via SDNet or HSN.
- 2 Direct connection IVs, direct connection EUs or ASPs connecting to HSN will receive datafeeds at a lower latency due to physically co-located with HKEX market data systems. Please note that in this Guiding Note, the datafeed received directly or indirectly from HSN and used within HDC is defined as a **HDC sourced datafeed**, and the datafeed received from SDNet is defined as a **SDNet sourced datafeed**. A direct connection IV is allowed to provide **HDC sourced datafeed** and/or **SDNet sourced datafeed** services to its indirect connection IVs and subscribers within HDC, while an ASP is allowed to provide **HDC sourced datafeed** and/or **SDNet sourced datafeed** services to its indirect connection IVs or EUs within HDC.

Direct connection IVs or direct connection EUs connecting to HSN will be entitled to two free indirect connections of **HDC sourced datafeed** from other IVs or ASPs within HDC. Any additional connection will be subject to Connection Fee.

- 3 Indirect connection IVs, indirect connection EUs or subscribers of IVs’ datafeed services (including from direct or indirect connection IVs) may also access **HDC sourced datafeed**. This group of users, who indirectly accesses **HDC sourced datafeed** and enjoys lower latency than that of the SDNet sourced datafeed, is however deemed to have direct connection within HDC. Therefore these users are required to pay Deemed Connection Fee equivalent to the Connection Fee for the first set of direct standard connection of the respective Datafeed as set out in the [Fee Schedule](#) on HKEX website.

For the avoidance of doubt, the Deemed Connection Fee will also apply to IVs’ subscribers, who are individuals for their enjoyment of low latency datafeed services.

Indirect connection IVs, indirect connection EUs or IVs’ subscribers who pay the respective Deemed Connection Fee are also entitled to additional two free indirect connections for the relevant Datafeed. Any additional connection will be subject to Connection Fee.

- 4 Please note that indirect connection IVs, indirect connection EUs or IVs' subscribers will **NOT** be deemed to have a direct connection within HDC if they only receive a normal datafeed which does not gain latency improvement from co-location, for example:
- i. The feed is originated from SDNet (***SDNet sourced datafeed***); or
 - ii. Though the datafeed is originated from HSN, it does not outperform in latency as compared to the ***SDNet sourced datafeed***.

To claim this exemption, IVs or EUs must provide report (to the satisfaction of HKEX-IS (China)) in datafeed latency so as to prove that the datafeed does not outperform in latency as compared to the ***SDNet sourced datafeed***.

APPLICATION, PAYMENT AND REPORTING

- 5 IVs or ASPs who wish to provide ***HDC sourced datafeed*** services to their subscriber or indirect connection licensees; or indirect connection licensees who wish to have ***HDC sourced datafeed*** services from feed providers, are required to apply for datafeed service by submitting Service Application Form to Data Licensing & Policy team of Market Data Department via MarketData@hkex.com.hk for consideration. Upon approval, the datafeed service will be added to Schedule 4 – Memorandum of Permitted Purpose of IV's Market Data Vendor Licence Agreement, ASP's Market Data Application Service Provider Licence Agreement or EU's Market Data End-User Licence Agreement. HKEX-IS (China) will also update the relevant annex in the Agreement.
- 6 IVs or ASPs must notify HKEX-IS (China) via MarketData@hkex.com.hk the commencement/termination dates and the names of their subscribers, indirect connection IVs or indirect connection EUs who source the ***HDC sourced datafeed*** and must obtain prior approval from HKEX-IS (China) on the arrangement.
- 7 Indirect connection IVs or indirect connection EUs must notify HKEX-IS (China) via MarketData@hkex.com.hk the commencement/termination dates of sourcing the ***HDC sourced datafeed*** and the name of the feed provider and must obtain prior approval from HKEX-IS (China) on the arrangement.
- 8 For ease of administration, IVs, EUs or IVs' subscribers who obtain multiple datafeed services for the ***HDC sourced datafeed*** from different IVs or ASPs must notify HKEX-IS (China) via MarketData@hkex.com.hk the designated payment IV for the Deemed Connection Fee since IVs are required to collect the Deemed Connection Fee from their datafeed users on behalf of HKEX-IS (China).
- 9 For Deemed Connection, IVs and EUs should report the details including unique datafeed or system ID assigned, names of subscribers/users who accessed and used the HDC sourced datafeed service and their respective commencement and/or termination dates in the monthly Subscriber/Individual User Report.

PROPER INTERNAL RECORD KEEPING

- 10 IVs, EUs or ASPs are required to keep clear and proper audit trails on the usages and location of the datafeed, systems and data centre for HKEX-IS (China) audit purposes. Upon request, the IVs, EUs or ASPs must be able to demonstrate, to the satisfaction of HKEX-IS (China), that they are in full compliance with the Guiding Note for the Use of HKEX Market Data at HKEX Hosting Data Centre.

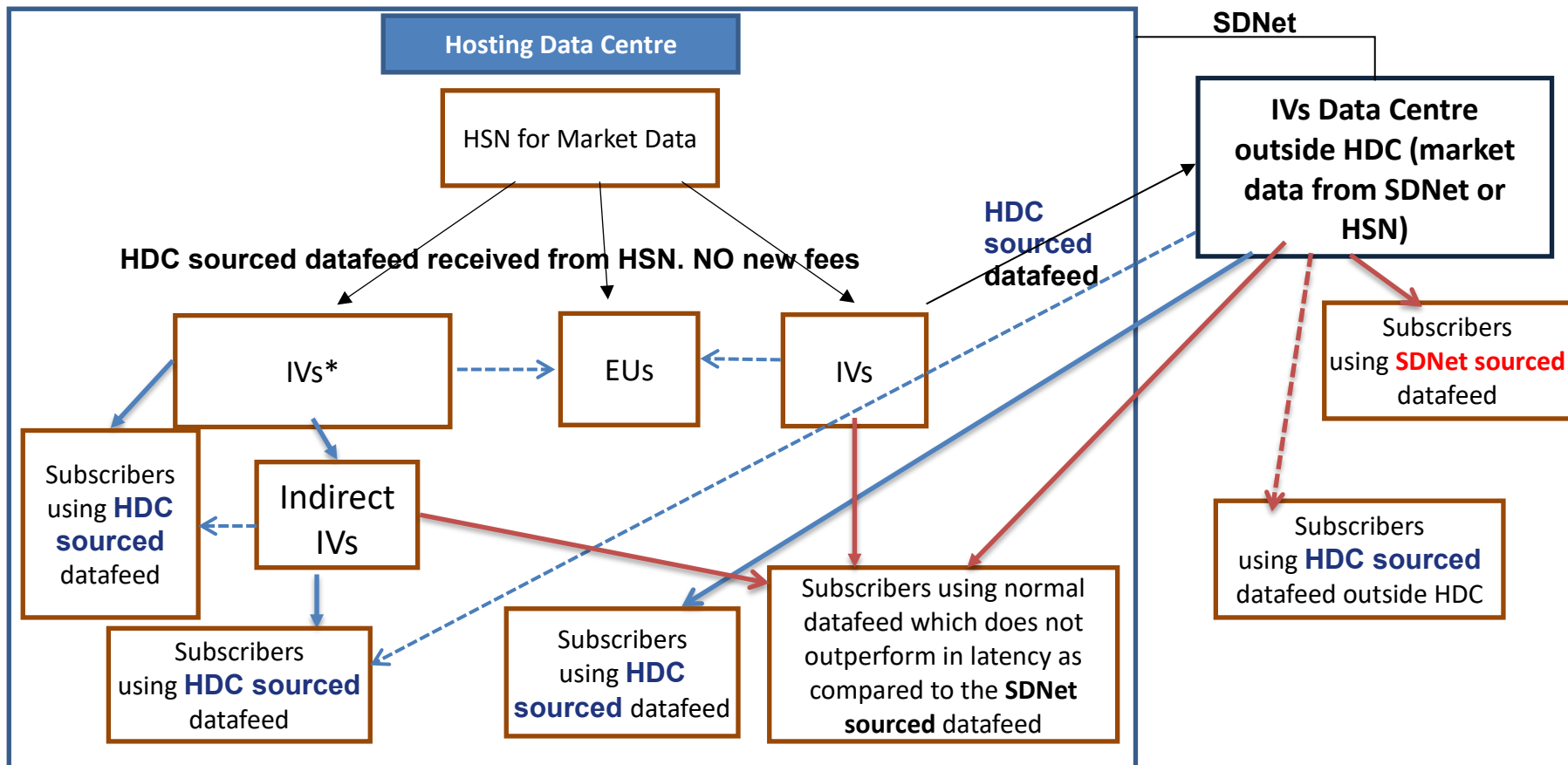
ON-SITE INSPECTION

- 11 HKEX-IS (China) shall have the right to inspect the internal systems, the records and the data centre of the IVs, EUs or ASPs in order to establish that they are fully compliant with the Policy. We also reserve the right to charge the Deemed Connection Fee together with the interest if, in our reasonable belief, the IVs, EUs or IVs' subscribers are in violation of the Guiding Note for the Use of HKEX Market Data at HKEX Hosting Data Centre herein.

HKEX-IS (China) reserves the right to change any information in this Guiding Note at any time without prior notice. If IVs, EUs or ASPs want to apply or have any questions, comments or doubts regarding this Policy, please contact MarketData@hkex.com.hk.

Appendix - Diagram on the Use of HKEX Market Data at HKEX Hosting Data Centre

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- ▶ No new market data fees
- ▶ Deemed Connection Fee applies (HDC sourced datafeed)
- - - - -▶ Free of two indirect connections for HDC sourced datafeed
- ▶ No deemed Connection Fees (SDNet sourced datafeed)
- - - - -▶ No deemed Connection Fees outside HDC

*Similar for ASPs with indirect IVs or indirect EUs, except ASPs are not entitled to provide datafeed to Subscribers