

Guiding Note on Appointment of Service Facilitator Securities and Derivatives Market Data

(for real-time and delayed data vendors)

PURPOSE

We understand that some information vendors (“IVs”) may appoint Service Facilitators to assist in the selling and promotion of its services in order to access the best markets around. This guiding note sets out the requirements and procedures of HKEX Information Services Limited (“HKEX-IS”) for IVs to appoint Service Facilitators to facilitate the dissemination of market data to IV’s Subscribers.

DETAILS

A Service Facilitator is a third-party company authorized by HKEX-IS to assist the IV in processing or disseminating market data, such as sales/marketing agent or software developer.

IV shall obtain prior approval from HKEX-IS on the appointment of Service Facilitator. Upon approval by HKEX-IS, the name of approved Service Facilitator will be stipulated in the Memorandum of Permitted Purpose (“MOPP”) of the Market Data Vendor Licence Agreement.

The procedures and requirements of the Service Facilitator appointment are set out below:

1. **Application**: The IV is required to include details of the Service Facilitator including name, address and website address of the Service Facilitator in Form A3 (Service Application Form for Market Data Vendor Licence Agreement). The IV is also required to provide briefly the responsibilities and scope of activities the Service Facilitator will undertake for HKEX-IS consideration and approval. The IV shall forthwith notify HKEX-IS when the appointment of Service Facilitator terminates.
2. **Access of Information**: Pursuant to clause 10.3 of the Market Data Vendor Licence Agreement, IV is not allowed to disclose Information to any third party unless with prior approval from HKEX-IS. If the Service Facilitator is required to access the Information, the IV shall ensure that:
 - The Information access by the Service Facilitator is solely for the purpose to facilitate the dissemination of Information to IV’s Subscribers;
 - The Service Facilitator will not disseminate the Information to any third party outside its premises;
 - The transmission of Information to the Service Facilitator will cease when the appointment of Service Facilitator terminates;
3. **Subscriber Agreement & Entitlement**: It is the IV, and never the Service Facilitator, who contracts directly to supply the Information to the end-users (i.e. Subscribers of the IV). Further, individual Subscriber entitlement must be allocated and controlled by the IV, not the Service Facilitator. The Service Facilitator is not allowed to provide Information to any third party who is not a Subscriber of the IV.
4. **Display of Information**: Any service provided by the IV through a Service Facilitator must be prominently branded so it clearly identifies the IV as the source of the Information and the service provider.

5. Proper Internal Record Keeping: The IV shall, upon HKEX-IS request, permit and/or procure that HKEX-IS may inspect promptly thereafter the premises and records of the Service Facilitator, for the purpose of satisfying HKEX-IS reporting requirements.
6. Reporting and Payment: The IV shall be directly responsible for providing payment and reports to HKEX-IS on the use of Information. Further, the Service Facilitator may not be exempted from HKEX-IS monthly subscriber fees for the access of Information.

HKEX-IS will determine in its sole discretion on the approval of Service Facilitator. The IV shall also note that by appointing a Serviced Facilitator, the IV undertakes to ensure that the Service Facilitator is in conformity with the arrangements listed in this guiding note and shall impose on the Service Facilitator all the restrictions and obligations imposed on the IV under the Market Data Vendor Licence Agreement relating to the use of the Information. Further, any breach by the Service Facilitator of the above arrangements could be treated as a breach of the IV under the Market Data Vendor Licence Agreement.

HKEX-IS reserves the right to:

- Publish the names of approved Marketing Agents on its website.
- Withdraw any Service Facilitator at any time by written notice.
- Introduce additional conditions, refine or amend any existing conditions of this document at any time without prior notice.

If IV wants to apply or have any questions regarding the appointment of Service Facilitator, please contact MarketData@hkex.com.hk.