

# Davis Polk

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Re: The Stock Exchange of Hong Kong – Notification of Intent to Engage in Familiarization Activities

Mr. Stephen Luparello  
Director, Division of Trading and Markets  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Dear Mr. Luparello:

We are U.S. counsel to The Stock Exchange of Hong Kong Limited (“**SEHK**”). Reference is made to the letter issued by the staff of the Securities and Exchange Commission (the “**Commission**”), Division of Trading and Markets (the “**Staff**”), dated July 1, 2013, providing class no-action relief (the “**Class Relief Letter**”), subject to the conditions stated therein, to a Foreign Options Market and its associated clearing organization and their corporate parents, along with their respective officers, directors and employees, as well as the Representatives and members of the Foreign Options Market, with respect to limited activities to familiarize certain registered broker-dealers and large financial institutions in the United States with the Foreign Options Market and certain options traded thereon. Terms used herein but not defined have the meanings set forth in the Class Relief Letter.

On behalf of SEHK, we submit this letter to notify you that SEHK, its officers, directors, employees, Representatives and/or options exchange participants, intend to engage in familiarization activities in reliance on the Class Relief Letter with respect to the SEHK as the Foreign Options Market, and the Eligible Options described herein.

## I. Background

SEHK is a non-U.S. securities (including stock options) market that is an organized exchange operated and regulated outside the United States, and is one of the major securities markets in Asia. SEHK is deemed to have been recognized as an exchange company under Section 19(2) of the Securities and Futures Ordinance of Hong Kong to operate a market on which stocks and options on single stocks are traded. Both SEHK and its wholly-owned clearing house subsidiary, The SEHK Options Clearing House Limited (“**SEOCH**”) (collectively the “**Parties**”), are subject to regulatory oversight by the Hong Kong Securities and Futures Commission.

## II. Eligible Options

For purposes of this notification, Eligible Options include equity options whose underlying security is an individual security listed and traded on SEHK. Eligible Options are traded on the SEHK and cleared through SEOCH, which becomes the counterparty to every trade registered and cleared through it. The Eligible Options are not fungible or interchangeable with options traded on any market other than the SEHK and, accordingly, positions in Eligible Options registered with SEOCH by a clearing participant of SEOCH can only be closed out on the SEHK.

## III. Class Relief Letter Conditions and Representations

As required in order to rely on the Class Relief Letter, SEHK has instructed us to make the following representations and acknowledgements on its behalf:

1. SEHK will provide the Staff, promptly upon request, a list of the specific equity options covered by this request for relief, and identify primary listing market for each underlying security.
2. SEHK has taken steps to comply with, and assure continued compliance with, each of the representations and conditions contained in the Class Relief Letter.
3. SEHK acknowledges that the relief provided by the Class Relief Letter is only available to the Parties to the extent that the Parties are in compliance with each of the representations and conditions contained in the Class Relief Letter.
4. SEHK will comply with each of the representations and conditions contained in the Class Relief Letter, including the restriction on securities of U.S. issuers.

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If you have any questions or concerns regarding the foregoing, please do not hesitate to contact the undersigned at (202) 962-7075.

Sincerely,



Annette L. Nazareth

cc: The Stock Exchange of Hong Kong Limited