

# Belgian Equity Option Product Enhancements

> October 2003

Euronext.liffe has introduced the following enhancements for Belgian derivative products:

## Improvement of the product range

The following improvements to the product range will be introduced on 13 October 2003.

### Introduction of option listings on Omega Pharma and Barco (New)

In response to customer demand, Euronext.liffe now offers options on Omega Pharma and Barco (New) on the LIFFE CONNECT® platform. These listings increase our Belgian equity option coverage, offering equity options on 17 Belgian stocks. The options provide our customers with a coverage of 90% of the BEL20® Index.

### Introduction of short and long term option series

Euronext.liffe introduces 1, 2 and 12 month option series on both the existing and the newly introduced equity option classes. These extra maturities will improve liquidity in the market, making Euronext.liffe the most efficient market for Belgian equity options.

## Fee holiday for Omega Pharma and Barco (New) until end of 2003

No trading fees will be charged for trades in the new option classes Omega Pharma and Barco (New). The fee holiday is applicable until the end of 2003.

## Introduction of a block trading facility

The migration of the Belgian derivative products to LIFFE CONNECT® enabled the introduction of a new block trading facility with sensible minimum volume thresholds, which ensures that all categories of order flow are accommodated in this market. This enhanced block trading facility allows wholesale customers to benefit from a central counter party and lower capital requirements in an easier and cheaper way.

### The block trading facility operates as follows:

- No interruptions
- Minimum volume thresholds
  - Equity options: 500 contracts
  - BEL20® Index option: 1,000 contracts
  - BEL20® Index future: 100 contracts
- Price can be outside the best bid/offer

## Euronext Brussels successfully transferred to new derivatives trading and clearing systems

On 24 March 2003 Euronext Brussels successfully migrated its derivatives products on to the Euronext trading and clearing technology systems: LIFFE CONNECT®, *the world's most sophisticated derivatives trading platform - available from 639 sites in 26 countries worldwide* - and Clearing 21®, *a real time clearing and netting system*.

The double migration on the Brussels derivatives market enables our customers to benefit from the rationalisation of their infrastructure and greater efficiency in their cross-border trading. Both of these synergies result directly from the integration of our systems. All Euronext Brussels cash and derivatives products are now on the Euronext trading and clearing platforms.

## Key features of the Belgian market

- The Belgian market has lower historical volatility levels in comparison to pan-European products.
- The BEL20® Index has a high dividend yield of nearly 5%. The FTSE Eurotop 300 for example has a dividend yield of 3%.
- Quotes in 70% of the series of the Belgian product assortment.

## Belgian derivative products

### Equity options

- The Belgian equity options are all American style options, with a contract size of 100 underlying shares.
- All the equity options have 1/2/3/6/9/12 months option series in the March, June, September, December cycle.

Equity option	Code	Equity option	Code
Agfa Gevaert	AGE	Mobistar	MOB
Barco (New)	BAR	Omega Pharma	OME
Delhaize*	DEL	Real Software	REA
Dexia	DXB	Solvay	SOL
Electrabel	ELE	Telindus Group	TEL
Fortis	FRB	Total*	TOT
GBL	GBL	UCB	UCB
Interbrew	INT	Umicore	UMI
KBC	KBC		

\*Delhaize and Total also have longterm options, i.e. 24/36 months option series in the September cycle.

BEL20® Index products	Code	BEL20® Index products	Code
BEL20® Index option	BXO	BEL20® Index future	BXF

### BEL20® Index option

- The BEL20® Index option is a European style option contract with a contract size of Euro 2 multiplied by the value of the BEL20® Index.
- The BEL20® option has the following option series:
  - 1/2/3/6 months option series in the March, June, September, December cycle
  - 12 months option series in the March or September cycle
  - 24/36 months option series in the September cycle

### BEL20® Index future

- The BEL20® Index future has a contract size of Euro 20 multiplied by the value of the BEL20® Index.
- The BEL20® future has 1/2/3/6 months option series in the March, June, September, December cycle.

## Fast-track membership

A single fast-track membership application procedure is available for Euronext.liffe members who wish to become a member for an additional market. This streamlined process makes it possible for members of one market to apply for membership for any other markets by means of a simple application form.

The fast track application form is available on [www.euronext.com](http://www.euronext.com)

(click on For our clients > Member relations > Euronext.liffe > Membership > see the documentation page > Fast track Application Form)

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All are regulated markets under the European Union's Investment Services Directive.

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