


## NextWarrants – Admission to trading and listing of warrants





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# Contents

●● 1	NextWarrants	4
●● 2	Admission to trading on NextWarrants	5
	1. Compliance with the product description of warrants	5
	2. Official listing via one of Euronext's entry points	5
	3. Liquidity providers	5
●● 3	Listing warrants on Euronext	6
	Warrant programme	6
	Language requirements for prospectuses and pricing supplements	6
	Specific listing criteria at Euronext Paris	6
	Listing fees	6
	Timetable for issuers with an approved warrant programme	7
	Increasing the number of series	8
	Mutual recognition	8
●● 4	Trading warrants on NextWarrants	9
●● 5	Contact persons	10
	Appendix: Outsourcing index maintenance activities	11

## NextWarrants

The purpose of this document is to provide issuers of warrants with information about the conditions governing admission to trading on NextWarrants and the listing procedure for warrants.

NextWarrants is a special product segment at Euronext, Europe's leading cross-border exchange, created by the merger of the exchanges of Amsterdam, Brussels and Paris. Euronext has created NextWarrants to give warrants greater visibility and transparency and to provide an attractive marketplace for them. Access to NextWarrants is open to both issuers and investors.

NextWarrants offers the following services:

- **Dedicated segment**  
Euronext launched NextWarrants so that investors can trade warrants in a convenient way. NextWarrants can be accessed by issuers and investors and is governed by rules specifically designed for warrant trading.
- **Choice**  
NextWarrants offers a wide range of warrants based on a varied selection of national and international assets.
- **Trading**
  - Automatic order execution
  - Liquidity Providers that continuously issue quotes for orders of a minimum size
  - Wide range of order types
- **Data dissemination**  
Complete information on each warrant is available via the Internet. This information includes product characteristics, historical data and a direct link to the issuer's website.
- **Marketing and education**  
Euronext supports the NextWarrants product segment and the warrants on it by means of marketing efforts and educational activities.

Warrants can be listed on Euronext via four different entry points: Amsterdam, Brussels, Lisbon and Paris. The conditions for participation in NextWarrants are the same in Amsterdam, Brussels and Paris. As there are still differences between countries with regard to listing procedures, Euronext is currently harmonising the regulations that govern these procedures. Details of admission to trading on NextWarrants in Portugal will be available soon.

## ●● 2 Admission to trading on NextWarrants

The three main requirements for admission to trading on NextWarrants are described below.

### ● 1. Compliance with the product description of warrants

To qualify for admission to NextWarrants, an instrument should comply with Euronext's product description of a warrant.

A warrant is an instrument that confers on its holder:

- the right to buy or to sell the underlying at the price specified in the issuing contract or the price that can be calculated on the basis of the provisions of that contract; or
- the right to receive the difference between the price of the underlying on the warrant's exercise date and the strike price, in accordance with the terms of the issuing document.

Other structured products, such as convertibles, certificates, guaranteed funds and reverse convertibles, are not included in NextWarrants. Euronext reserves the right to decide whether or not an instrument should be included in NextWarrants.

### ● 2. Official listing via one of Euronext's entry points

To qualify for listing on Euronext, a warrant has to comply with Euronext's rules and regulations. The rules are divided into Rule Book I, which contains the harmonised regulations of Euronext, and Rule Book II, which contains the local listing regulations in force at Euronext's entry points.

### ● 3. Liquidity providers

Trading in a warrant should be supported by at least one liquidity provider.

## 3 Listing warrants on Euronext

Warrants are issued by financial institutions. Issuers who want to list warrants at Euronext have to be a member of Euronext.

### Warrant programme

The most common way of listing warrants on Euronext is via a warrant programme. A warrant programme is a prospectus describing the planned issue of warrants. Pricing supplements to the warrant programme can be submitted at any time. Every new warrant requires a pricing supplement.

Every twelve months, the warrant programme requires the annual approval of the competent authority, i.e. Euronext Amsterdam in the Netherlands, the CBF in Belgium and the COB in France.

### Language requirements for prospectuses and pricing supplements

#### Euronext Amsterdam

- Dutch
- English

#### Euronext Brussels

- Dutch and French for Belgian issuers
- English with a summary in Dutch and French for foreign issuers

#### Euronext Paris

- French
- English with a summary in French for warrants issued without a public offer

### Specific listing criteria at Euronext Paris

In accordance with the general principles of the COB, warrants listed via Euronext Paris must meet the following criteria.

- The warrants must have a minimum trading volume of 1,000 warrants, with the exception of warrants based on an exchange rate, which must have a minimum trading volume of 500 warrants.
- The issuer of the underlying must be informed of the listing by the issuer of the warrant at least 3 working days before the listing date. Companies have the right to include remarks in the issuing prospectus, with the exception of warrants based on a basket of shares in which no single share exceeds 50% of the value of the basket.

### Listing fees

The fees paid by issuers of warrants include admission fees, which are payable in full upon admission.

The admission fee amounts to € 1,000 per warrant plus € 500 per warrant per year to maturity, subject to a maximum of € 30,000 per series.

Amsterdam charges an additional fee of € 4,690 for checking the prospectus or initial warrant programme and € 2,345 per update. All pricing supplements are free. In Brussels and Paris, other fees apply. The fees for this service are payable to the CBF (Belgium) and the COB (France).

● **Timetable for issuers with an approved warrant programme**

	<b>Competent authority for approving pricing supplements</b>	<b>Competent authority for admission to Euronext</b>	<b>Required documents</b>	<b>Time table</b>
<b>Amsterdam</b>	Euronext Amsterdam	Managing Board of Euronext Amsterdam	<ul style="list-style-type: none"> <li>● Pricing supplement</li> <li>● Resolution of the management board of the issuer to issue the securities</li> <li>● Official request for listing</li> <li>● Listing agreement</li> <li>● Draft advertisement</li> </ul>	7 working days or 2 working days if AIW *
<b>Brussels</b>	CBF (Commission Bancaire et Financiere)	Market authority Brussels	<p><b>For the market authority in Brussels</b></p> <ul style="list-style-type: none"> <li>● Pricing supplement</li> <li>● Official request for listing</li> <li>● Letter of agreement from the CBF</li> <li>● Confirmation of willingness to act as paying agent from bank</li> </ul>	7 working days
<b>Paris</b>	COB (Commission des Opérations de Bourse)	Management of Euronext Paris	<p><b>For the management of Euronext Paris</b></p> <ul style="list-style-type: none"> <li>● Pricing supplement</li> <li>● Resolution of the management board of the issuer to issue the securities</li> <li>● Letter of guarantee from bank</li> <li>● Letter of undertaking from issuer</li> <li>● Draft legal notice (to be published in BALO)</li> </ul>	7 working days  (The first issue by a new issuer can take between 10 and 15 working days.)

\* AIW (as, if and when issued): At Euronext Amsterdam a new warrant can be traded within two days even though the official listing procedure has not yet been finalised. The trades are accepted on a provisional basis. The issuer should apply for this listing service.

### ● Increasing the number of series

The procedure for increasing the number of warrants based on an existing listed warrant is exactly the same as for a new pricing supplement.

### ● Mutual recognition

Euronext's aim is to achieve mutual recognition of investment products by the national regulators of all Euronext countries. The objective is to make listing in one of the Euronext countries sufficient grounds for the approval of the prospectus for marketing purposes in all other Euronext countries.

The different features of listing via each of the entry points are summarised below.

#### **Euronext Amsterdam**

- Quick listing is possible on an AIW basis
- Documentation in English or Dutch
- Marketing to Dutch retail investors

#### **Euronext Brussels**

- Documentation in French and Dutch (issuer with a Belgian office) or in English with a summary in French and Dutch (issuer without a Belgian office)
- Marketing to Belgian retail investors

#### **Euronext Paris**

- Documentation in French or English (with a summary in French)
- Marketing to French retail investors

## ●● 4 Trading warrants on NextWarrants

### ● 1) Continuous trading on a single trading platform

Warrants are traded on NextWarrants, Euronext's single trading platform for warrants, which is open to all members of Euronext Amsterdam, Brussels and Paris. Trading on NextWarrants is continuous and based on the centralised matching of buy and sell orders.

Warrants admitted to NextWarrants are traded on the NSC electronic trading system and have to comply with Euronext's rules.

### ● 2) Liquidity provider agreement

Trading on NextWarrants requires at least one liquidity provider, which is a specialist acting for continuously traded securities. The liquidity provider is obliged to enter quotes in the order book 15 minutes before the opening auction and throughout the entire session. These quotes have to comply with rules regarding the maximum spread and minimum number of warrants.

Issuers of warrants have to propose at least one liquidity provider to Euronext. Liquidity providers active on NextWarrants are governed by the provisions of the liquidity provider agreement they conclude with Euronext.

The trading system at NextWarrants make it a liquid and attractive marketplace.

## •• 5 Contact persons

### Listings & Primary Market Department

Entry point	Contact person	Telephone number	E-mail
<b>Amsterdam</b>	Mr Aad de Winter	+31 20 5504468	a.dewinter@euronext.com
<b>Brussels</b>	Ms Francine Paradis	+32 2 5091312	f.paradis@euronext.com
<b>Paris</b>	Mr Frederic Martineau	+33 1 49271311	f.martineau@euronext.com

## Appendix:

# Outsourcing index maintenance activities

### ● Introduction

As a considerable amount of warrants are based on indices and baskets of shares, Euronext Indices B.V. offers commercial services in the area of creating, maintaining and disseminating tailor-made indices. You can use these indices to create products, as benchmarks, or for basket trading. All you have to do is define how the securities for your indices are selected. Once your index has been launched, your only involvement in maintaining the index is having the final say when the composition of the index is changed.

### ● Methodology

We create a rule book for each index or family of indices in conjunction with you, based upon your criteria for selecting securities and handling corporate events. We then use our indexing system to create a new index. If you wish, we can provide you with a back-calculation of the index. The index can also be disseminated to all data vendors in real time, or on a daily basis. In both cases, you receive a daily statement of the exact composition of your index, together with the opening, high, low and closing levels for the last trading day. Once all the requirements have been agreed and a contract has been signed, the index is launched.

### ● Benefits

- The index rule book lays down how we will manage your index, ensuring complete transparency. The rule book is based on the principles Euronext uses for its own indices, which are the basis for many products around the world.
- We act as an independent agency for your index and the products based on it.
- We have a great deal of experience with indices, especially tradable ones
- We compile some of the most successful tradable indices in Europe, including the CAC40, AEX and BEL20.
- We were the first index compiler to launch a pan-European index – the Eurotop 100.
- We already calculate about one hundred tailor-made indices used around the world, all based on sophisticated security selection processes.
- Euronext Indices B.V. is a wholly owned subsidiary of Euronext, which makes listing an index-based product at Euronext a very simple procedure.
- We use state-of-the-art tools for managing indices, and indices can be disseminated through the same channels as Euronext, reaching many data vendors.
- By outsourcing indices to us, you can concentrate on your core business.

## ● Fees

Since the indices are tailor made, we do not charge a standard fee per index. Fees vary depending on the number of constituents and the amount of maintenance work we expect to have to perform.

The fee payable to Euronext Information Services for dissemination to data vendors is based on the number of indices covered by the contract.

## ● Contact person at Euronext Indices B.V.

Subject	Contact person	Telephone number	E-mail
Maintenance of indices or baskets of shares	Mrs. Marielle Plukker	+31 20 550 4199	thirdpartyindices@euronext.com

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Consument  
Consumer  
Grand public

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