



***A NEW TCS OPERATION TYPE
“MA REPORTING – NON
BROADCAST TRADE”***

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PURPOSE OF THIS DOCUMENT

This document explains a new operation to allow investment services providers, operating in the Euronext zone, to meet the over-the-counter reporting requirements of their relevant market authority.

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MA REPORTING – NON BROADCAST TRADE

1 OPERATIONAL OVERVIEW OF MARKET AUTHORITIES – NON BROADCAST TRADE

A new type of TCS operation called, Market Authorities – Non Broadcast Trade (MAR-NBT), has been created by Euronext.

This operation allows an investment services provider to report over-the-counter transactions to its authorized market authority.

A new “*Operation Type Indicator*” (F) has been added to the list of operations, as follows:

- [0] Off market Transaction
- [1] Name change
- [2] Portfolio transfer
- [3] Pigeonhole quotation¹
- [4] Option exercise
- [6] MA Reporting – Other trade (*broadcast*)
- [7] MA Reporting – OTC trade (*broadcast*)
- [9] Prorogation buy
- [a] Prorogation sell
- [b] MNR transaction
- [D] Delta Neutral² transaction
- [E] VWAP³ transaction
- [F] **MA Reporting – Non Broadcast Trade**

Investment service providers will be able to report their over-the-counter transactions using the **MA Reporting – Non Broadcast Trade** or the **MA Reporting – Other Trade** (*broadcast*) operation, depending on the rules of their relevant market authority.

¹ Function code reserved for the Euronext Market Operation

² Function code automatically filled by the “LIFFE CONNECT®” trading system

³ For Amsterdam listed securities only.

2 SECURITIES CONCERNED

The new operation can be used for equities and debt securities, as soon as they are listed on Euronext.

Following the local market authority rules, the use of at least one, or both, of the Market Authority Reporting – Non Broadcast Trade or the Market Authority Reporting - Other Trade is mandatory, excluding any direct or parallel reporting requirements to a market authority.

3 MEMBERS CONCERNED

The participants authorized to use this new facility are the investment services providers including their branches in Europe, that may or may not be direct members of the Euronext markets.

A non-member firm that needs to report its transaction must first be registered with Euronext.

Details about how to register with Euronext will be communicated at a later stage.

Any Euronext member is authorized to use this function on behalf of an investment service provider, on the condition that the principal is registered with Euronext (see 5.5 “member-principal link”).

4 TRANSACTION REGISTRY

MAR-NBT transactions are reported on the Trade Confirmation System (TCS), used for matching orders (declarations) outside the central orderbook.

Euronext members should register their transactions using their existing TCS connection.

For a non Euronext member, registering a transaction can be done either as a principal, through a Euronext member, or on the Euronext internet application (TCS web).

5 MAR-NBT TRANSACTION CHARACTERISTICS

5.1 IMPLEMENTATION

In order to create and identify this new operation, a new value (F), has been added to the « *Operation Type Indicator* » field for the following SLE messages:

- [0401] Message « Declaration »
- [0411] Message «Declaration reception notice »
- [0412] Message «Notification of a declaration issued by the counterpart»

5.2 FIELDS CONTROL

For this new operation, the Trade Confirmation System does not apply specific control to the price and quantity fields.

This operation accepts declarations in all directions, i.e. Buy, Sell and Cross.

The matching delay is the same as other TCS operations, i.e. 15 minutes.

Nevertheless, the system checks there is a link between member and principal, if the principal field is filled.

5.3 PUBLICATION OF THE MAR-NBT TRADE

The MAR-NBT transaction is not published to the market.

This new operation is for reporting information to the market authority.

The volumes from these operations are not included in Euronext's statistics.

5.4 SETTLEMENT

Settlement is not allowed for this operation.

Settlement is possible under operation type “6”, **MA Reporting – Other Trade**, except for an operation performed by a non-Euronext member.

5.5 MEMBER - PRINCIPAL LINK

A non-Euronext member (investment service provider) that needs to declare its operation as a principal, through a Euronext member, has to be registered with Euronext.

Euronext will then establish the link between the member and the principal to allow the operation.

If not, the operation is rejected by the system.