



30 September 2008

PROJECT: **ESES Stream 3**

## Changes to trading groups for non-Euro traded securities

### Background

ESES Stream 3 is scheduled to be operational in Belgium and The Netherlands on **Monday, 1 December 2008**. The ESES settlement engine is mono-currency and will only handle Euro traded securities. The currency conversion, originally foreseen, will no longer be provided by LCH.Clearnet. Therefore, from the ESES Stream 3 launch onwards, any trading member wishing to trade, via Euronext Amsterdam, Paris or Brussels, in a currency other than the Euro will need to have, via its clearing member, a settlement account at Euroclear Bank.

Until the launch of ESES Stream 3, non-Euro traded securities traded on Euronext Amsterdam and cleared by LCH.Clearnet will continue to settle via Euroclear Nederland and Kas Bank. However, members are reminded that this solution will not be sustainable after the launch of ESES Stream 3.

Some dedicated trading groups already exist for non-Euro traded securities; **non-Euro traded shares** on Euronext Amsterdam will be transferred to dedicated trading groups with the launch of ESES. At that time, the same change of trading groups is scheduled for **non-Euro traded bonds** in Paris, Brussels and Amsterdam.

### The Changes

- At the launch of ESES Stream 3, all non-Euro traded shares traded on Euronext Amsterdam, will be transferred to trading groups JE or JF as appropriate.
- Non-Euro traded bonds will be moved to the following three new dedicated trading groups:
  - Amsterdam L6 (C) / L7 (DA)
  - Brussels C5 (C) / C6 (DA)
  - Paris 55 (C) / 56 (DA)

These changes will take place on the night before the first trading day of the Single Order Book.

### Implications

Any trading member firm (TMF) wishing to trade non-Euro traded securities will need to ensure that its clearing member firm (CMF) holds a settlement account at Euroclear Bank.

Any TMF that does not already trade non-Euro traded securities on Euronext Amsterdam will need to notify Euronext of its intention to do so. Such notification is not required from TMFs who already trade these securities.

Website: [www.euronext.com](http://www.euronext.com)

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- A TMF already connected to a CMF with an account at Euroclear Bank, only needs to request its CMF to provide LCH.Clearnet with an **account structure document** and **in some cases a new Power of Attorney**.
- A TMF not already connected to a CMF with an account at Euroclear Bank, needs to ensure that its CMF has first provided LCH.Clearnet with its **Euroclear Bank account number** and a **Power of Attorney authorising LCH.Clearnet to settle non-Euro instructions** on the CMF's settlement address at Euroclear Bank. In addition, if the CMF is using the third party service offering at Euroclear Bank, it will need to provide a **copy of the agreement between the CMF and the settlement agent**.

Please note that Euronext will only authorise a TMF to access any of these dedicated non-Euro traded trading groups once Euronext has received confirmation from LCH.Clearnet that its CMF has provided the information detailed above. In order to trade non-Euro traded securities after the launch of ESES Stream 3, action is required from TMFs whether or not these securities are already traded.

Should you require any further information, please contact your local account manager.

Kind regards,

Euronext Cash Market

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