



24 April 2009

PROJECT: **Universal Trading Platform for European Cash Markets**

Reversion to reservation mechanism for bonds

NYSE Euronext would like to advise clients that the current collar logic applied to bonds will be removed and the reservation mechanism reapplied, **effective Monday, 4 May 2009**.

Since 8 December 2008, the new collar logic introduced with the Universal Trading Platform has been applied to bonds. Following consultation with clients, the decision has been taken to remove the collar logic for bonds and to return to a reservation trading safeguards mechanism.

A revised version of the Trading Manual appendix has been submitted for regulatory approval and can be found on the Euronext website in the following locations:

www.euronext.com/cashmembers > Market/IT documentation > Market Model > Trading rules

OR

www.euronext.com > regulation > euronext regulation > harmonised > organization of trading

As a reminder, two trading safeguards mechanisms to manage volatility are currently in place on NYSE Euronext markets:

- **Reservation mechanism** whereby thresholds are defined around the reference price. Any order that might cause a trade outside the threshold leads to a reservation period during which time customers can enter orders on the book but cannot trade. The reservation is currently implemented by law for all ETFs, and is also implemented for low liquidity securities.
- **Collar logic** whereby collars are defined around the reference price and any order that might cause a trade outside of the collars is rejected after having been executed up to the relevant collar. The order book always remains open and, within a set period of time, the customer can confirm the order that has been rejected, causing the collars to be updated.

Groups reverting back to the reservation mechanism as of 4 May 2009:

35, 40, 41, 42, 43, 44, 45, 55, 56, EH, 37, C5, CA, C1, B5, C3, C4, C6, C7, C8, C9, C2, V1, R2, R3, R4, V2, L0, L1, L2, L3, L6, J5, L4, L5, L7, J6 and R1.

Website: www.euronext.com

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Trading Safeguards Mechanisms as of 4 May 2009:

Type of security	Logic
Bonds	Reservation mechanism
ETF	Reservation mechanism
Equities constituting the 4 national indices: CAC40, AEX25, BEL20 and PSI20	Collar Logic
Less liquid Equities	Reservation mechanism
Warrants	Reservation mechanism

For further information on the above proposal, please do not hesitate to contact your local account manager or contact the fixed income team on fixedincome@euronext.com.

Kind regards,

NYSE Euronext European Cash Markets

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