Euronext Derivatives Markets: Trading Procedures

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TABLE OF CONTENTS

PART ONE Harmonised Provisions

Section 1 GENERAL

1.1 Introduction
1.2 Definitions
1.3 Compliance with the Rules and conduct
1.4 The Responsible Person

Section 2 THE OPERATION OF UTP

2.1 Price, Volume & Value limits
2.2 Settlement prices – Futures Contracts
2.3 Settlement prices – Options Contracts
2.4 Emergency termination of a trading session and subsequent resumption
2.5 Evening trading session

Section 3 ON ORDER BOOK TRANSACTIONS

3.1 [Deleted]
3.2 Entering orders and making acceptances
3.3 Making of trades
3.4 Cross Transactions
3.5 Trade cancellations
3.6 Strategy trades
3.7 Delta neutral strategy trades
3.8 Stock Contingent Trades
3.9 Index Futures Exchange for Physical Facility
3.10 Trading at Index Close Facility

Section 4 OFF ORDER BOOK TRANSACTIONS

4.1 Transactions negotiated outside the Central Order Book
4.2 Basis Trading
4.3 Asset Allocations
4.4 Against Actuals
4.5 Large-in-Scale Trades
4.6 Guaranteed Cross Trades
4.7 Flex Contracts

PART TWO Non-Harmonised and Market-Specific Provisions

Section 1 Trading Procedures in relation to the Amsterdam and Brussels Markets

AB.1 Application of Section 1
AB.2 Account type identifier and Order execution
AB.3 Trade matching Market Makers and Liquidity Providers

Annexe One Trading Arrangements

Annexe Two Recognised Strategies

Annexe Three [Deleted]

Annexe Four European Market Services Contact Details

PART ONE

SECTION 1 – GENERAL

1.1 Introduction

1.1.1 These Trading Procedures are issued pursuant to Rule 5106 and apply in respect of all Exchange Contracts.

1.1.2 These Trading Procedures have the same status with regard to enforceability as the Rules.

1.1.3 Nothing contained in these Trading Procedures overrides any term (expressed or implied) of the Rules and, in the case of any conflict between any provision of these Trading Procedures and the Rules, the Rules will prevail.

1.1.4 The following rules of construction apply to these Trading Procedures:

(a) expressions referred to in writing must be construed as including references to printing, lithography, photography and other modes of representing or reproducing words or data in a visible form;

(b) any words importing the singular number include, where the context permits, the plural number and vice versa. Any words importing the masculine gender include the feminine gender and, where the context permits or requires, a partnership or an incorporated company; and

(c) the headings in these Trading Procedures are for convenience only and do not affect the construction of these Trading Procedures.

1.2 Definitions

1.2.1 The following provisions apply to, or should be noted in connection with, the interpretation of these Trading Procedures:

(a) references herein to Trading Procedures should be construed as references to the Trading Procedures which comprise this document;

(b) a term defined in the Rules has the same meaning in these Trading Procedures; and

(c) certain terms which appear in these Trading Procedures but which do not appear in the Rules are defined in Trading Procedure 1.2.2.

1.2.2 In these Trading Procedures, unless otherwise expressly stated:

"Against Actuals"	a Transaction negotiated and executed pursuant to Trading Procedure 4.4;
"approved basis trade instrument"	a security, a basket of securities, a non-Euronext exchange traded contract or an OTC instrument approved for the time being by the Relevant Euronext Market Undertaking in relation to a basis trade Exchange Contract specified by that Relevant Euronext Market Undertaking;
"asset allocation"	a Transaction consisting for one party ("A") of: (a) the purchase of an appropriate number of contracts in the terms of an asset allocation Exchange Contract (A's first futures/options element); simultaneously combined with (b) the sale of an appropriate number of contracts in the terms of another asset allocation Exchange Contract (A's second futures/options element) whereby the ratio between the number of contracts purchased and sold must be such as to ensure that the purchase and sale have an equal notional value when valued in a common currency; and, at the same time, for another party ("B") of: (c) the sale of an appropriate number of contracts in the terms of an asset allocation Exchange Contract (B's first futures/options element); simultaneously combined with (d) the purchase of an appropriate number of contracts in the terms of another asset allocation Exchange Contract (B's second futures/options element) whereby the ratio between the number of contracts sold and purchased must be such as to ensure that the sale and purchase have an equal notional value when valued in a common currency;

Exchange Contract”	an Exchange Contract designated by the Relevant Euronext Market Undertaking as an Exchange Contract which may form an element of an asset allocation;
“Automated Price Injection Model”	an electronic system or computer software which interfaces with UTP and both determines the requirement for sending, and sends, order handling messages to the trading host without necessarily requiring the intervention of an individual;

“basis trade”

(i) a Transaction consisting for one party (“A”) of:

(a) the spot sale of an approved basis trade instrument (A’s cash element);

simultaneously combined with

(b) the purchase of an appropriate number of contracts in the terms of a basis trade Exchange Contract (A’s futures element);

and, at the same time, for another party (“B”) of:

(c) the spot purchase of an approved basis trade instrument (B’s cash element);

simultaneously combined with

(d) the sale of an appropriate number of contracts in the terms of a basis trade Exchange Contract (B’s futures element);

(ii) where the Transaction is an Exchange for Swap, the Basis Trade Facility may be used to enable the parties to an OTC swap or option transaction to exchange their respective OTC positions with the appropriate number of futures contracts in the terms of a basis trade Exchange Contract; and

	(iii) where the Transaction is an Exchange of Options for Options, the Basis Trade Facility may be used to enable the parties to an OTC option transaction to exchange their respective OTC positions with the appropriate number of options contracts in the terms of a basis trade Exchange Contract.
"basis trade Exchange Contract"	(a) an Exchange Contract designated by the Relevant Euronext Market Undertaking as an Exchange Contract in respect of which contracts comprising the futures element of a basis trade may be made; or (b) in respect of asset allocation basis trades, means an Exchange Contract designated by the Relevant Euronext Market Undertaking as an Exchange Contract in respect of which contracts comprising one of the futures elements of an asset allocation basis trade may be made;
"cash element" or "cash leg"	that part of a basis trade comprising the sale and purchase of approved basis trade instruments;
"Equity Option Contract"	an Exchange Contract the subject of which is either an equity share or an index of equity share prices;
"Euronext Derivatives Market"	any market, including any Regulated Market, for Derivatives operated by any Euronext Market Undertaking referred to as The Amsterdam, Brussels, Lisbon and Paris Markets;
"Euronext Trading Procedures"	this document, comprising the sections and headings listed in the Table of Contents included herein;

“Exceptional Market Condition”	As described in article 3 of commission delegated regulation with regard to regulatory technical standards specifying the requirements on market making agreements and schemes. Exceptional circumstances do not include any regular or pre-planned information events that may affect the fair value of a financial instrument due to changes in the perception of market risk, whether occurring during or outside trading hours. The obligation for investment firms to provide liquidity on a regular and predictable basis shall not apply during exceptional circumstances.
“Exchange Contract”	a Derivative which is an Admitted Financial Instrument;
“fair value”	in relation to any Large-in-Scale Trade price or Flex Contract price quoted by a Member to another Member or to a Client or in respect of a Large-in-Scale Trade or Flex Contract (as the case may be) entered into by a Member, a price which is considered by the Member to be the best available for a trade of that kind and size. When determining a Large-in-Scale Trade price or a Flex Contract price, a Member should, in particular, take into account the prevailing price and volume currently available in the relevant Central Order Book, the liquidity of the Central Order Book and general market conditions, but is not obliged to obtain prices from other Members, unless this would be appropriate in the circumstances;
“fast market”	in respect of a particular Exchange Contract, a period declared as such by Market Services during which price limits are widened or suspended and Market Makers and Liquidity Providers may be relieved of some or all of their obligations or be required to meet relaxed obligations, as the case may be;
“futures element” or “futures leg”	that part of a basis trade comprising the sale and purchase of contracts in the terms of a basis trade Exchange Contract(s);

"Index Option Contract"	As the context requires, either an Equity Option Contract which is an option on an index of equity share prices or a contract in the terms of such Contract;
"ISDA"	the International Swaps and Derivatives Association;
"Large-in-Scale Facility"	The facility established by the Relevant Euronext Market Undertaking pursuant to the Rules in relation to the trading of Large-in-Scale Trades in accordance with these Trading Procedures.
"Large-in-Scale Prof"	shall mean a facility which allows a Member to submit a Large-in-Scale Trade involving one or more legs and/or more than one counterparty via one single entry identifier, namely the Prof ID;
"Large-in-Scale Trade Contracts"	those Exchange Contracts designated by the Relevant Euronext Market Undertaking as contracts that may be traded as a Large-in-Scale Trade pursuant to these Trading Procedures;
"Large-in-Scale Trade Executing Member"	the Member, or where the Large-in-Scale Trade has been negotiated between two Members, the Member(s) submitting Large-in-Scale Trade details to the Relevant Euronext Market Undertaking;
"Market Close"	the time specified by the Relevant Euronext Market Undertaking for the cessation of trading in contracts on UTP on that Trading Day;
"Market Open"	the time specified by the Relevant Euronext Market Undertaking for the commencement of trading in contracts on UTP on that Trading Day;
"Market Services"	the Relevant Euronext Market Undertaking's facilities for monitoring and regulating the conduct of business by its Members on UTP;

“minimum volume thresholds”	the thresholds as determined by the Relevant Euronext Market Undertaking and published from time to time being the minimum number of lots in respect of each Large-in-Scale Trade Contract or Flex Contract (as the case may be);
“orders”	bids or offers, as the case may be;
“post-settlement trading”	the period of trading following the time specified by the Relevant Euronext Market Undertaking for the calculation of the daily settlement price for a contract;
“Pre-Opening”	the period immediately prior to Market Open, beginning at a time specified by the Relevant Euronext Market Undertaking, during which Members may log on to the trading host and submit, amend and withdraw orders, but no trading can occur;
“RFP”	the request for price facility;
“Session End”	the period immediately following Market Close, ending at a time specified by the Relevant Euronext Market Undertaking, during which Members may withdraw any GTC orders that they do not wish to remain in the market for the following Trading Day;
“Stressed Market Condition”	Significant short-term changes of price and volume and the resumption of trading after volatility interruptions;
“Trading at index close (TAIC)”	A trade consisting of setting the futures contract price by reference to the prospective market closing conditions of the underlying instrument, i.e. by adding the basis level negotiated to the closing value of the underlying instrument when the latter is finally known;
“Trade Registration”	The Clearing System or the Trade Registration System, as the case may be; and
“Universal Trading Platform” or “UTP”	the Euronext Trading Platform for Derivatives consisting of “UTP for Futures and Options” and “UTP for Equity Options” and associated infrastructure as the context permits.

1.3 Compliance with the Rules and conduct

1.3.1 A Member must, in respect of business conducted on, or submitted through, UTP:

(a) implement suitable security measures such that only those individuals explicitly authorised to trade by the Member may gain access to passwords and security keys; and

(b) ensure that any trading access granted to individuals (whether staff of the Member or otherwise), for example by way of order routing systems, is adequately controlled and supervised including appropriate checks before orders are submitted to the trading host.

1.3.2 A Member is responsible for the use of any Automated Price Injection Model in respect of business conducted on, or submitted through, UTP. In particular, notwithstanding the Relevant Euronext Market Undertaking's own obligations (as described in Rule 1.5A), any adverse effect on the fair, orderly and efficient operation of the market arising from the use of such a Model shall be the responsibility of the Member and sanctions may be imposed under the Rules.

1.3.3 Members and Responsible Persons must ensure that, when negotiating and executing_a Client order they comply fully with the obligations imposed by Chapter 8 of the Rules ("Rules of Conduct") and, in particular:

(a) they act with due skill, care and diligence; and

(b) the interests of the Client or Clients, as the case may be, are not prejudiced.

1.4 The Responsible Person

1.4.1 A Responsible Person must be assigned one, or at least one, ITM and a valid password for each, by the Relevant Euronext Market Undertaking.

1.4.2 In the normal course of events, the Relevant Euronext Market Undertaking will direct all queries in relation to business submitted under his ITM(s) to the Responsible Person concerned, whether or not the business was actually input directly by him. In this respect, the Responsible Person must:

(a) have the authority to adjust or withdraw any orders submitted under his ITM(s);

(b) satisfy himself of the competence and suitability of any person conducting business under his ITM(s), if applicable;

(c) ensure, as far as possible, that all business conducted under his ITM(s) is conducted in accordance with the Rules and Trading Procedures; and

(d) know, and be willing to disclose to the Relevant Euronext Market Undertaking, the immediate source of all orders.

The Responsible Person must be contactable by the Relevant Euronext Market Undertaking while his ITM(s) is/are in use. When a Responsible Person is absent, and therefore not contactable, yet his ITM(s) is/are to continue to be used, the Member must nominate to the Relevant Euronext Market Undertaking a replacement Responsible Person to fulfil his role in respect of the relevant ITM(s).

1.4.3 For the avoidance of doubt, this Trading Procedure 1.4 shall apply to all business conducted on a Euronext Derivatives Market, whether executed on the Central Order Book (pursuant to section 3 of these Trading Procedures) or Off-Order Book (pursuant to section 4).

SECTION 2 – THE OPERATION OF UTP

2.1 Price, Volume & Value limits

2.1.1 Throughout each UTP trading session and during the Pre-Open period, price limits for Futures Contracts will be calculated from the Price Limit Reference Price ("PLRP"): the limit bid being the allowed spread greater than the PLRP and the limit offer being the allowed spread lower than the PLRP.

2.1.2 The PLRP is calculated using one of the following two methods:

(a) Central Order Book price method;

(b) theoretical fair value method;

(c) theoretical Exchange For Physical fair value method.

2.1.3 In respect of the Central Order Book price method, the PLRP is:

(a) for the most actively traded ("blue") contract month only:

(i) prior to the first trade, the mid point between the best bid and offer; or

(ii) the last traded price; or

(iii) a bid above or an offer below the last traded price;

(b) for all other contract months, the fair value as derived from outright and implied spread relationships with the blue month.

2.1.4A In respect of the theoretical fair value method, the PLRP is the price of the underlying plus the cost of carry for each contract month, as calculated by the Relevant Euronext Market Undertaking. The theoretical fair value method may be used for futures contracts where there is limited central market activity.

2.1.4B In respect of the theoretical EFP fair value method, which shall apply to orders submitted to the Index Futures EFP Facility only, the PLRP for each contract month shall be calculated by the Relevant Euronext Market Undertaking as the difference between the previous day's settlement price for the relevant futures contract and a corresponding index basket, based on the previous day's closing prices of the individual stocks, adjusted for any corporate actions. A spread value range is then employed by the trading host as the price limit for the EFP contract month concerned.

2.1.5 [Deleted].

2.1.6 For Options Contracts, the Relevant Euronext Market Undertaking will calculate a theoretical fair value price (the PLRP) for each series. The theoretical fair value price will generate a spread value range which is then employed by the trading host as the price limit for the option series concerned. The spread range is calculated either by reference to the fair value price or the applicable option delta value.

2.1.7 Subject to Trading Procedure 2.1.9, attempts to trade or, during the Pre-Open period where applicable, to enter orders, outside the prevailing price limits in the relevant contract/expiry month will be rejected by the trading host. The trading host will send a message to the Member via the relevant ITM to inform him of the rejection.

2.1.8 The permitted spreads for price limits for each contract/expiry month will be determined from time to time by the Relevant Euronext Market Undertaking. Such spreads may be adjusted to reflect market conditions with the objective of preventing the execution of any orders submitted to the trading host with manifest pricing errors and/or at unrepresentative price levels.

2.1.9 In response to volatile market conditions, Market Services may, at its discretion, remove the restriction on the entry of orders outside the prevailing price limits.

2.1.10 Price limit value ranges, maximum volume limits and the PLRP calculation method (Futures Contract) and spread value range reference method (Options Contracts) are published on the Euronext website.

2.1.11 Volume limits will apply for each individual contract. Attempts to trade or, during the Pre-Opening where applicable, to enter orders, above the prevailing volume limits in the relevant contract will be rejected by the trading host. The trading host will send a message to the Member via the relevant ITM to inform him of the rejection.

2.1.12 Market Services may as a temporary measure and at its discretion and upon request from the member concerned, remove the restriction on the entry of orders above the prevailing volume limits.

2.1.13 Value limits will block orders with abnormally high notional values from entering the order book. The maximum order value will be calculated as follows: “Maximum Value = Maximum Price * Maximum Volume.

2.2 Settlement prices – Futures Contracts

2.2.1 The Daily Settlement Price for Futures Contracts is calculated using one of the following two methods:

(a) Central Order Book price method (described in Trading Procedures 2.2.2-2.2.3); or

(b) official closing price method (described in Trading Procedure 2.2.4).

The method used to establish the Daily Settlement Price for each Futures Contract is indicated in Annexe One.

2.2.2 In respect of the Central Order Book price method, the Settlement System in Market Services will be used to calculate the Daily Settlement Price by taking a feed of reported prices for a period of no less than two minutes before the time specified for the settlement of a contract, as notified by the Relevant Euronext Market Undertaking. This period is known as the "Settlement Range". However, the Relevant Euronext Market Undertaking will also monitor market activity throughout the Trading Day to ensure that settlement prices are a fair reflection of the market.

2.2.3 The Settlement Range will be used to monitor spread levels. Thereafter, the following criteria will be taken into account, as applicable:

(a) the traded price during the last minute of the Settlement Range; or, if there is more than one traded price during this time:

(b) the trade weighted average of the prices traded during the last minute of the Settlement Range, rounded to the nearest tick; or, if there are no traded prices during this time:

(c) the price midway between the active bids and offers at the time the settlement price is calculated, rounded to the nearest tick.

Where a trade weighted average or a midway price between active bids and offers results in a price which is not a whole tick, the rounding convention that will apply in respect of (b) and (c) above will be in accordance with that set out in the relevant contract specifications.

In addition, the following criteria are monitored in Market Services and may be taken into account, as applicable:

(d) price levels as indicated by spread quotations;

(e) spread relationships with other contract months of the same contract; and

(f) price levels and/or spread relationships in a related market.

2.2.4 In respect of the official closing price method, which shall be used for such stock futures and index futures as may be specified in Annexe One, the Daily Settlement Price shall be determined by a fair value calculation using the official daily closing price of the company security or the index of such securities (as the case may be) established by the Relevant Stock Exchange. Where such official daily closing price is not available, the Relevant Euronext Market Undertaking shall determine the Daily Settlement Price, at their absolute discretion, on the basis of a fair value calculation which is consistent with cash market values of the shares the subject of such Contract.

2.2.5 Settlement prices will be displayed on UTP and for a minimum period of five minutes thereafter, the Relevant Euronext Market Undertaking may deem it necessary to amend the settlement prices to ensure they are a fair reflection of the market.

2.2.6 When the Relevant Euronext Market Undertaking is satisfied that the settlement prices are appropriate in respect of a particular contract, the revised settlement prices will be displayed and for a minimum period of three minutes thereafter any further appropriate revisions will be displayed accordingly.

2.2.7 The prices established by the procedure set out in this Trading Procedure 2.2 will be transmitted to the Clearing Organisation. In the event that the Clearing Organisation considers that prices do not correctly reflect the true value of contracts in the terms of Futures Contracts within the market, the Relevant Euronext Market Undertaking may amend prices as appropriate.

2.2.8 Settlement prices will be displayed on UTP or any such other means of communication as the Relevant Euronext Market Undertaking sees fit.

2.2.9 Where the settlement price of a contract available for trading on UTP is calculated during the course of the UTP session for that contract, the Relevant Euronext Market Undertaking will additionally post the UTP closing price for each contract month at Market Close.

2.3 Settlement prices – Options Contracts

2.3.1 The Relevant Euronext Market Undertaking's objective when determining settlement prices for Options Contracts is to maintain a consistent pricing relationship between the volatilities of one exercise price and the exercise price(s) nearest to it, whilst taking account of market activity.

2.3.2 The procedures for establishing Daily Settlement Prices are as follows:

(a) Market Services will maintain continuous information on market activity, both for each series of each Options Contract and for the underlying Futures Contract or security (as applicable);

(b) using this information, implied volatilities will be calculated for each series throughout the Trading Day, which the Relevant Euronext Market Undertaking will review at regular intervals in light of market activity;

(c) in the case of less actively traded Options Contracts, or those where no recent bids or offers exist, the Relevant Euronext Market Undertaking may contact Members throughout the trading session in order to ascertain whether implied volatilities are reflective of the market view. In the case of more actively traded Options Contracts, Market Services will monitor implied volatilities toward the settlement time to check consistency with market activity throughout the trading session;

(d) at the settlement time, the Relevant Euronext Market Undertaking will calculate settlement prices from implied volatilities. These settlement prices will be displayed on UTP; and

(e) for a minimum period of five minutes following publication of settlement prices, the Relevant Euronext Market Undertaking may deem it necessary to amend the settlement prices and any appropriate revisions will be displayed accordingly.

2.3.3 The prices established by the procedures set out in this Trading Procedure 2.3 will be transmitted to the Clearing Organisation. In the event that the Clearing Organisation considers that prices do not correctly reflect the true value of contracts in the terms of Options Contracts within the market, the Relevant Euronext Market Undertaking may amend prices as appropriate.

2.4 Emergency termination of a trading session and subsequent resumption

2.4.1 The conduct of business on UTP in one or more Exchange Contracts may be suspended by the Relevant Euronext Market Undertaking, in the case of an event, or when conditions or circumstances prevail, which in the Relevant Euronext Market Undertaking's opinion threatens or prevents the orderly conduct of business. Such events include, but are not limited to:

(a) an act of God or some other event outside the Relevant Euronext Market Undertaking's control occurring; or

(b) a UTP technical failure or failures including, but not limited to, a part of the central processing system, a number of Member trading applications, or the electrical power supply to the system itself or any related system.

2.4.2 In the event that the conduct of business on UTP in one or more Exchange Contracts is suspended by the Relevant Euronext Market Undertaking or forcibly halted (as distinct from being suspended by the Relevant Euronext Market Undertaking) as a consequence of an event described in Trading Procedure 2.4.1, the conduct of business will be resumed when, in the opinion of the Relevant Euronext Market Undertaking, business may be resumed on an orderly basis.

2.4.3 In the event that the conduct of business on UTP in one or more Exchange Contracts is suspended or halted at or around the time specified for the establishment of Daily Settlement Prices or Closing Prices (as the case may be), the Relevant Euronext Market Undertaking may in its absolute discretion determine either:

(a) to change such times for that Trading Day; or

(b) to set such prices at levels determined by them as being a fair reflection of the market, as they see fit.

2.4.4 In the event that the conduct of business on UTP in one or more Exchange Contracts is suspended or halted and the Relevant Euronext Market Undertaking determines that it may not be resumed either:

(a) before Market Close; or

(b) within sufficient time prior to Market Close to allow an orderly close to the market,

it may determine that the conduct of business in one or more Exchange Contracts should be resumed but that the relevant scheduled closing time should be delayed to a later time.

2.4.5 Instead of making a determination contemplated by Trading Procedure 2.4.4 the Relevant Euronext Market Undertaking may determine that the conduct of business cannot be resumed on that same Trading Day but will be resumed on such later Trading Day, and at such time, as they determine. If necessary, such determination may also be made on a Trading Day later than the Trading Day on which the conduct of business was suspended or halted.

2.4.6 Any determination made by the Relevant Euronext Market Undertaking pursuant to Trading Procedures 2.4.4 or 2.4.5 may be revoked by a later determination. Any such later determination may likewise be revoked. Any determination made under this Trading Procedure 2.4 will be published by the Relevant Euronext Market Undertaking as a Notice. If circumstances arise which, in the opinion of the Relevant Euronext Market Undertaking, indicate that some or all Members are unlikely to become aware of the existence of a particular Notice via their trading application, the Relevant Euronext Market Undertaking may decide to use other means of communication as it sees fit.

2.4.7 In the event of a general failure in UTP (e.g. central breakdown, breakdown in a significant number of communication lines which, in the opinion of the Relevant Euronext Market Undertaking, poses a potential threat to the orderly operation of the market), the Relevant Euronext Market Undertaking may determine alternative trading arrangements as appropriate. Notification of alternative trading arrangements will be made by way of Notice or such other means of communication as the Relevant Euronext Market Undertaking sees fit. Such an event is considered to be an Exceptional Market Condition.

2.5 Evening trading session

2.5.1 Business executed during the evening trading session shall be treated as business executed on the following Trading Day.

SECTION 3 – ON ORDER BOOK TRANSACTIONS

3.1 [Deleted]

3.2 Entering orders and making acceptances

3.2.1 Orders for outright trades and strategy trades can be submitted to the trading host from commencement of Pre-Opening until Market Close. Submitted orders, once validated by the trading host, are time-stamped.

3.2.2 On UTP:

(a) a bid is represented as an order to buy ("buy order");

(b) an offer is represented as an order to sell ("sell order"); and

(c) an acceptance is defined as the matching of a buy order and sell order in the Central Order Book.

3.2.3 Trading Procedures 3.2.3 to 3.2.5 describe the various order types, order designations and associated requirements, which may be submitted to the trading host. Not all order functionality applies to each Relevant Euronext Market Undertaking or to all contracts available for trading on a Relevant Euronext Market Undertaking. Members must refer to Annexe One to these Trading Procedures which details which functionality applies to a Derivative of a Relevant Euronext Market Undertaking.

(a) Limit Order

Limit Orders entered into the Central Order Book are executed at the price stated or better. Any residual volume left after part of a Limit Order has traded is retained in the Central Order Book until it is withdrawn or traded (unless a designation described in Trading Procedure 3.2.4 is added which prevents the untraded part of a Limit Order from being retained). All Limit Orders (with the exception of those with a GTC designation as described in Trading Procedure 3.2.4 (a) below) are automatically withdrawn by the trading host on Market Close and in the circumstances outlined in Trading Procedures 3.2.9 and 3.2.10; and

(b) Market Order

Market Orders entered into the Central Order Book are executed at the best price(s) available in the market until all available volume has been traded. Any residual volume left after part of a Market Order has traded is automatically cancelled by the trading host.

(c) Market on Open Order (MoO)

MoO Orders may be submitted to the trading host during the Pre-Open period. MoO Orders will be executed at the calculated opening price at Market Open. Where a MoO Order has traded in part at Market Open, the residual volume will be converted to a Limit Order at the calculated opening price of that order. If no trading takes place at Market Open, the MoO Order will trade with any matching MoO Order at the mid-price of the opening bid and offer (including bids and offers implied from related strategy markets where applicable). Any residual MoO Order volume will then convert to a Limit Order at this mid-price. Where no bid and/or no offer exists at Market Open, the MoO Order will be cancelled by the trading host.

3.2.4 The designations set out in (a) to (e) below can be added to Limit and/or Market Orders and the designation set out in (a) only can be added to MoO Orders:

(a) Good 'Til Cancelled (GTC)

a GTC designation can be added to Limit Orders and MoO Orders. Such orders remain in the Central Order Book (provided, in the case of MoO Orders, there was a calculated opening price at Market Open) until the order:

(i) trades;

(ii) is withdrawn by, or under the authority of, the relevant responsible person or the Relevant Euronext Market Undertaking at the Member's request;

(iii) is automatically withdrawn by the trading host at Market Close on the date specified at the time of order entry; or

(iv) is automatically cancelled by the trading host on expiry of the delivery month to which the order related;

(b) Good In Session (GIS)

a GIS designation can be added to Limit Orders and will remain in the Central Order Book until Market Close occurs in the trading session during which the GIS order was submitted;

(c) Immediate and Cancel (IC)

an IC designation can be added to Limit Orders and will be added to Market Orders automatically if no other designation is specified. IC orders are immediately executed against any existing orders (at the specified price or better in the case of Limit Orders) up to the volume of the IC order. Any residual volume left after part of the IC order has traded will be automatically cancelled by the trading host;

(d) Complete Volume (CV)

a CV designation can be added to both Limit Orders and Market Orders. CV orders will only be executed if there is sufficient volume available (at the specified price or better in the case of Limit Orders) for the order to be executed in full. If this is not the case the order will be automatically cancelled by the trading host; and

(e) Minimum Volume (MV)

an MV designation can be added to both Limit Orders and Market Orders. MV orders will only be executed if the specified minimum volume is immediately available to trade (at the specified price or better in the case of Limit Orders). Where a volume equal to or greater than the specified minimum volume of an MV order has traded, the residual volume will be retained in the Central Order Book in the case of non IC limit orders, or cancelled by the trading host in the case of market orders.

3.2.5 Members may submit up to eight Limit Orders as a Contingent Multiple Order in up to two designated Exchange Contracts, in line with arrangements which may be prescribed from time to time by Notice. Exchange Contracts eligible for execution as a Contingent Multiple Order will likewise be notified by Notice. On submission of a Contingent Multiple Order, the trading host will attempt to execute each individual leg in the relevant outright market. Unless each leg of the Contingent Multiple Order can be executed immediately in full, the order will be cancelled by the trading host.

3.2.6 The identity of Members (and the Responsible Persons to whom their ITMs are assigned) who submit orders to the trading host will remain anonymous to market participants at all times.

3.2.7 Orders can be edited once they are held in the Central Order Book. Editing of orders may be applied to price, volume and cancellation date (for GTC orders). The time-stamp assigned by the trading host at the entry of the original order will be updated if either the price is changed or the volume increased i.e. the order will assume an inferior position in the time priority “queue”, where applicable. A reduction in volume or an amendment to the cancellation date has no affect on the time-stamp.

3.2.8 Orders held in the Central Order Book can be withdrawn, individually or as a block, by the relevant Responsible Person or under his authority.

3.2.9 All orders with the exception of GTC orders will be cancelled automatically at Market Close or when the ITM under which the order was submitted is logged out without the Member having nominated a replacement ITM, whichever is the earlier. All orders, including GTC orders, will be cancelled at close of business on the Last Trading Day of the delivery month to which they relate, or the Last Trading Day of the delivery month of one or more legs of a GTC strategy order, as the case may be.

3.2.10 In the event of failure of the trading host, all orders with the exception of GTC orders will be cancelled automatically.

3.2.11 When submitting an order to UTP, a Member must also submit an identifier denoting whether the order is for a House, Client or Market Maker/Liquidity Provider account.

3.3 Making of trades

3.3.1 The following order prioritisation criteria will determine trade priority. Members should refer to Annexe One which details the order prioritisation applicable to each Exchange Contract:

(a) Price/Time priority:

(i) best price. A buy order at the highest price and a sell order at the lowest price has priority over orders in the same contract/delivery month/strategy; and

(ii) oldest time-stamp. Buy/sell order(s) at the best price will trade in order according to the time they were accepted by the trading host,

(b) Pro-rata priority:

(i) best price. A buy order at the highest price and a sell order at the lowest price has priority over orders in the same contract/delivery month/strategy;

(ii) pro-rata. All buy orders at the highest price and all sell orders at the lowest price in the same contract/delivery month/strategy are traded in accordance with the pro-rata algorithm, the details of which, including any element of priority, will be specified by Notice;

albeit that in both instances (a) and (b), following the application of the uncrossing algorithm at Market Open (described in Trading Procedure 3.3.2) Market on Open Orders may take priority over Limit Orders submitted during the Pre-Open period, by trading with other Market on Open Orders, where such Limit Orders cannot be executed during the opening algorithm. Furthermore, certain contracts, as detailed by Notice, provide for Market Makers/Liquidity Providers to receive trade priority status. The details of such trade priority, and its implications for the order prioritisation above, are detailed by Notice.

3.3.2 Where backwardation (bids higher than offers) or choice prices (bids equal to offers) exist at Market Open, the trading host will run an uncrossing algorithm to calculate the price at which the maximum volume can be traded and automatically executes trades accordingly: any orders executed in this way will be traded at a price equal to or better than that at which they were entered and any untraded bids and/or offers will remain in the market.

3.3.3 The details of each trade on UTP other than the identity of the counterparties to such trade will be transmitted to Trade Registration and to all market participants who have successfully logged on and subscribed to the relevant market. All post-trade details will be published on an anonymous basis.

3.3.4 For Futures Contracts and designated Options Contracts (Annexe One), during the Pre-Open period, details of indicative opening prices and volume, except volume associated with Market on Open Orders, will be transmitted to all market participants who have successfully logged on and subscribed to the relevant market, until Market Open.

3.3.5 Members are required to make available personnel responsible for the resolution of trade processing queries when required to do so.

3.3.6 Uncrossing

3.3.6.1 Subject to Trading Procedure 3.3.6.2 and pursuant to Trading Procedure 3.3.2, the trading host will not run the uncrossing algorithm at Market Open for Equity and Equity Index Option Contracts until a trade price for the relevant underlying has been received.

3.3.6.2 Notwithstanding the requirements provisions of Trading Procedure 3.3.6.1, the Relevant Euronext Market Undertaking may, in its absolute discretion, run the uncrossing algorithm and open trading in Contracts in the event that no underlying trade price is received.

3.3.7 Corporate Actions

3.3.7.1 Any adjustment of Options Contracts and/or Futures Contracts will be determined in accordance with the Corporate Actions Policy of the Relevant Euronext Market Undertaking unless the Relevant Euronext Market Undertaking, in its absolute discretion, determines otherwise. The Corporate Actions Policy and any adjustment to the Contract will be published by Notice from time to time and shall have such effect with regard to existing and/or new Option Contracts and/or Futures Contracts as the Relevant Euronext Market Undertaking may determine.

3.3.7.2 The Relevant Euronext Market Undertaking may cancel orders in the Central Order Book of a contract where that contract's characteristics have been altered following one or more corporate actions affecting the underlying security. Any such cancellation of outstanding orders (and any requirements to re-submit orders) will be published by the Relevant Euronext Market Undertaking by way of Notice or such other means of communication as the Relevant Euronext Market Undertaking sees fit.

3.4 Cross Transactions

3.4.1 [Deleted]

3.4.2 Matching business may be procured for an order by way of pre-negotiation within the same Member, with other Members or with Clients.

3.4.3 Matching business may be entered to the trading host using one of the following three methods:

(a) by submission to the Central Order Book; or

(b) by submission in a dedicated order book for designated contracts set out in Annexe One; or

(c) by submission as a Guaranteed Cross Trade in designated contracts set out in Annexe One.

3.4.4 Orders for which matching business has been found by pre-negotiation may be entered to the trading host without delay between the submission of the separate buy and sell orders.

3.4.4A For Commodity Option Contracts, except where the Relevant Euronext Market Undertaking provides alternative facilities to execute pre-negotiated business as a single Transaction, all pre-negotiated business must be executed as a cross.

In particular, the Request for Cross facility (as described in Trading Procedure 3.4.5A) must be used for Commodity Option Contracts and is also available for those Contracts set out in Annexe One.

3.4.5 [Reserved]

3.4.5A Request for Cross Facility on Commodity Option Contracts

A Request for Cross (“RFC”) must first be entered for the relevant series or strategy in all cases, whether or not a bid and/or offer exists in the Central Order Book for such series or strategy.

An RFC initiating Member may not enter either side nor a part of the matching business into the order book prior to the submission of an RFC.

An RFC shall be rejected upon entry if its intended matching price is outside the best bid and offer available in the Central Order Book at its entry time.

The RFC has the simultaneous effect of entering in an irrevocable way the buy and the sell orders in the matching system and of sending an alert message to the rest of the market.

The market only receives notice of an RFC in the relevant series or strategy and of its associated duration. The market does not receive notice of the orders' size or intended execution price level.

Neither an RFC initiating Member, when acting via an ITM involved in pre-negotiation of the RFC, nor its clients having placed orders for the cross may submit any further orders during the RFC period nor give orders for some other Member to input into the matching system.

During the RFC period,

(i) Members other than the RFC initiating Member, and
(ii) the RFC-initiating Member, but not through the ITM involved in pre-negotiation of the RFC and not in respect of its clients who have placed orders for the cross,

may (subject to minimum size) respond and enter limit orders, which will not be published.

Once the RFC period has elapsed, Central Order Book orders that can match with the RFC (subject to minimum size and excluding implied prices) are added to the response orders, and both orders are considered to be response orders. The buy and sell orders of the RFC initiating Member shall interact with such other orders as follows:

- step 1, all response orders that improve the RFC intended execution price are matched against the RFC business according to an uncrossing process matching in price/time priority;

- step 2, the resulting RFC balance (including the consequential impact on the balance of the RFC's associated buy and sell orders), shall be executed against response orders that match the RFC execution price, ranked according to their time priority, up to a maximum sharing level which is calculated by multiplying the minimum RFC quantity left on the buy or sell side after step 1 by the set sharing percentage;

Following that, the rest of the RFC balance shall be executed as a cross by the RFC initiating Member.

Following that, the remaining RFC response orders are matched amongst themselves.

Orders entered via the RFC may be subject to additional size requirements. RFC parameters in terms of duration, minimum order size and sharing are set in Annexe One.

3.4.5B Request for Cross Facility on Equity and Index option Contracts

A Request for Cross ("RFC") must first be entered for the relevant series or strategy in all cases, whether or not a bid and/or offer exists in the Central Order Book for such series or strategy.

An RFC initiating Member may not enter either side nor a part of the matching business into the order book prior to the submission of an RFC.

An RFC shall be rejected upon entry if its intended matching price is outside the best bid and offer available in the Central Order Book at its entry time.

The RFC has the simultaneous effect of entering in an irrevocable way the buy and the sell orders in the matching system and of sending an alert message to the rest of the market.

The market receives notice of an RFC in the relevant series or strategy and of its associated duration, including the orders' size and intended execution price level.

Neither an RFC initiating Member, when acting via an ITM involved in pre-negotiation of the RFC, nor its clients having placed orders for the cross may submit any further orders during the RFC period nor give orders for some other Member to input into the matching system.

During the RFC period,

(i) Members other than the RFC initiating Member, and

(ii) the RFC-initiating Member, but not through the ITM involved in pre-negotiation of the RFC and not in respect of its clients who have placed orders for the cross,

may (subject to minimum size) respond and enter limit orders, which will not be published.

Once the RFC period has elapsed, all response orders shall first be made public aggregated by price, and the buy and sell orders of the RFC initiating Member shall interact with such other orders as follows:

- step 1, all response orders that improve the RFC intended execution price are matched against the RFC business according to an uncrossing process matching in price/time priority;

- step 2, the resulting RFC balance (including the consequential impact on the balance of the RFC's associated buy and sell orders), shall be executed against response orders that match the RFC execution price, ranked according to their time priority, up to a maximum sharing level which is calculated by multiplying the minimum RFC quantity left on the buy or sell side after step 1 by the set sharing percentage.

To make sure that the client account side of an RFC is always fully executed, step 1 and step 2 are first executed for response orders that match with the client account side of the RFC business. After this, step 1 and step 2 are executed for response orders that match with the other side of the RFC business, up to the volume of the matched client account side.

When both sides of the RFC are for the client account, the matching starts with the side that contains the smallest matchable reactor quantity.

Following that, the rest of the RFC balance shall be executed as a cross by the RFC initiating Member.

Following that, the remaining RFC response orders are matched with unfilled RFC quantity when possible or are matched amongst themselves.

Orders entered via the RFC may be subject to additional size requirements. RFC parameters in terms of duration, minimum order size and sharing are set in Annexe One.

3.4.6 [Reserved]

3.4.7 [Deleted]

3.4.8 The requirements in respect of Guaranteed Cross Trades are set out in Trading Procedure 4.6.

3.4.9 A Member and his Responsible Persons may deliberately seek to execute a trade involving two wholly or partially matching orders providing the requirements in these Trading Procedures are met.

3.5 Trade cancellations

Trade cancellations may be carried out under specific conditions published by Notice.

3.6 Strategy trades

3.6.1 Members may execute strategies comprising combinations of Exchange Contracts. A list of strategies available for trading on UTP is specified by the Relevant Euronext Market Undertaking by Notice from time to time and is contained in Annexe Two to these Trading Procedures.

3.6.2 A separate market will be created for each strategy where one or more RFQs have been submitted to the trading host. With the exception of stock contingent volatility trades, the traded price of each leg will be calculated by an Exchange maintained algorithm.

3.6.3 In addition, there will be certain strategies for which implied trading functionality applies as specified by the Relevant Euronext Market Undertaking from time to time.

3.6.4 For those explicit strategy markets where implied trading functionality applies, the relevant outright contract/expiry months will generate implied-in prices to the explicit strategy market. For outright contract/expiry month markets, the interaction of an explicit strategy order and a relevant outright contract month order(s) will generate an implied-out price in the other outright contract month.

3.6.5 Strategy trades must, for each side, comprise a single order or aggregate of orders, which result in the same Client or account trading each element of the relevant strategy.

3.6.6. A member may not execute a strategy order otherwise than in the relevant strategy market unless the member can demonstrate that doing so would be disadvantageous to the client.

3.7 Delta neutral strategy trades

3.7.1 Members may execute delta neutral trades involving the simultaneous execution of financial or index options and an appropriate number of offsetting futures where the relevant futures and options are available for trading on the same trading host. A list of delta neutral trade types available for trading on UTP is specified by the Relevant Euronext Market Undertaking by Notice from time to time and is contained in Annexe Two to these Trading Procedures.

3.7.2 In order to execute delta neutral strategy trades on UTP, a Member must have appropriate trading rights for the trading of both the options and futures legs.

3.7.3 A separate market will be created for each delta neutral trade order submitted with different option price(s) or delta details. A Member is not permitted to create a new delta neutral strategy market unless there is a genuine need to do so. For the avoidance of doubt, a Member must not create a new delta neutral strategy market in order to avoid his order(s) being entered to, and thereby interacting with, a delta neutral strategy market with almost identical characteristics which has already been created.

3.7.4 Following submission of a delta neutral trade order, the trading host will validate both its option price(s) and delta and automatically assign offsetting futures to the counterparty(ies) to the resulting trade(s). Where a Member submits a delta neutral order to the trading host, the size of the order must be such as to be delta neutral in nature, as determined by the applicable delta (e.g. for a delta of 20%, orders being in multiples of 5 option lots). For the avoidance of doubt, a Member must not submit orders to the delta neutral market with the intention of securing a non delta neutral Transaction.

3.7.5 Delta neutral trades must, for each side, comprise a single order or aggregate of orders, which result in the same Client or account trading both the option and futures contracts.

3.8 Stock Contingent Trades

3.8.1 Subject to the appropriate trading rights, Members may execute strategies in Individual Equity Option Contracts that are contingent upon the execution of a transaction in the underlying security using the Euronext UTP for Equity Options stock contingent trade facility. Both the Individual Equity Option Contracts ("options") and underlying company security components ("stock") of any order in respect of a stock contingent trade must be executed on behalf of the same Client or account, as the case may be.

3.8.2 For certain options designated by the Relevant Euronext Market Undertaking, the stock transaction shall automatically take place on the corresponding Euronext Securities Market. In this case, Members must hold appropriate trading rights in such market. Otherwise, the Member must have in place arrangements for the execution of the stock via a Member holding a relevant trading right.

3.8.3 A list of stock contingent trades available for trading on Euronext UTP ("on order book transactions") is contained in Annexe One to these Trading Procedures and may be varied from time to time by the Relevant Euronext Market Undertaking.

3.8.4 In order to execute a stock contingent trade a Member must specify, in addition to the order details required for options trades, the name, volume and price of the stock, as well as the delta in the case of volatility trades. Members are required to quote:

(a) an options price consistent with the best bid and best offer available in the market at the time; and

(b) a stock price consistent with prices prevailing in the equity market on that Trading Day. Where the stock transaction takes place on a Euronext Securities Market, as referred to in Trading Procedure 3.8.2, the stock price must meet the price conditions applicable in that market for the validation of such transactions.

In the case of volatility trades, the options and stock prices and the delta quoted in the order will be checked against an Exchange-maintained model in order to ensure the appropriateness of the stock price used.

3.8.5 In the case of conversions and reversals, the volume of stock transacted must be consistent with the net delta for that position.

3.8.6 A separate market will be created for each stock contingent trade order submitted with different option price or delta details. A Member is not permitted to create a new stock contingent trade market unless there is a genuine need to do so. For the avoidance of doubt, a Member must not create a new stock contingent trade market in order to avoid his order being entered to, and thereby interacting with, a stock contingent trade market with almost identical characteristics which has already been created.

3.8.7 Orders in respect of stock contingent trades will only trade if:

(a) details of both the stock and the options components (and the delta in the case of volatility trades) match, albeit that an order may be accepted in part providing the ratio of stock to options contracts traded is the same for both the buying and selling sides; and

(b) in the case of stock contingent volatility trades, the options and stock price and the delta quoted are consistent with a model maintained by the Relevant Euronext Market Undertaking used to ensure the appropriateness of the order details submitted.

3.8.8 Details of the options component of stock contingent trades will be posted to market participants and quote vendors, identified as part of a strategy. Details of the stock component will also be published.

3.9 Index Futures Exchange for Physical Facility

3.9.1 For certain Index Futures contracts designated by the Relevant Euronext Market Undertaking and specified in Annexe One to these Trading Procedures, basis trades can take place on a dedicated index futures “Exchange for Physical (EFP)” Central Order Book, resulting in the simultaneous execution of the index futures and the relevant underlying stock on the corresponding markets operated by Euronext.

3.9.2 In order to execute trades on the EFP Facility on UTP, a Member must have appropriate trading rights for the execution of the index futures contract and the relevant stocks. Otherwise, the Member must have in place arrangements for the execution of the stocks via a Member holding a relevant trading right.

3.9.3 The use of the EFP Facility is subject to specific requirements in relation to minimum price movement and method of quotation differing from those normally applicable to the index futures contract, as specified in the contract specifications published on the Euronext website.

3.9.4 Following the execution of an EFP, the relevant prices and volumes shall be automatically allocated by the UTP system to the individual futures and stock components of the EFP, calculated using an Exchange-maintained algorithm. In the event the stock price algorithm generates an individual price failing to account for a recent corporate action on that stock:

(i) the Relevant Euronext Market Undertaking may invalidate the trade as per section 3.5.; or

(ii) Members having executed the EFP may request the invalidation of the original execution in accordance with section 3.5, with a view to resubmitting the EFP orders for execution with an adjusted individual stock price.

Any invalidation of an EFP determined by the Relevant Euronext Market Undertaking or conducted at a Members' request will automatically entail the cancellation of both the index futures transaction and individual stock component transactions.

3.9.5 The following information with respect to the futures leg of a trade executed on the EFP Facility will be broadcast on UTP:

(a) Futures Contract(s) and delivery month(s);

(b) futures price(s); and

(c) volume of futures traded.

Such details shall also be distributed to Quote Vendors.

In addition, details of the stock component leg of a trade executed on the EFP facility will be published pursuant to the rules of the corresponding Euronext Securities Markets.

3.10 Trading at Index Close Facility

3.10.1 For certain Futures contracts designated by the Relevant Euronext Market Undertaking and specified in Annexe One to these Trading Procedures, Trades at index close ("TAIC") can take place on a dedicated Central Order Book.

3.10.2 Orders on the TAIC Central Order Book shall be expressed on the basis level, i.e. the difference to be agreed between the respective prices of the Futures contract and of its underlying instrument.

3.10.3 Trades in Futures contracts shall be deemed firm as soon as they have been concluded on the TAIC Central Order Book with an agreed basis level and shall be assigned their final value after the market of the underlying instrument has closed.

3.10.4 The use of the TAIC Facility is subject to specific requirements differing from those normally applicable to the futures contract, notably in relation to minimum price movement and trading hours.

SECTION 4 – OFF ORDER BOOK TRANSACTIONS

4.1 Transactions negotiated outside the Central Order Book

4.1.1 This Section 4 describes various trading facilities and associated requirements for executing Off Order Book Transactions. However, not all trading facilities apply to each Derivative which is an Admitted Financial Instrument. Members must refer to Annexe One to these Trading Procedures which details which functionality and/or which requirements apply to each such Derivative.

4.1.2 For the purposes of this Section 4, an Off Order Book Transaction is a Transaction which is:

(i) negotiated outside the Central Order Book but subject to the Rules and these Trading Procedures; and

(ii) reported to the Relevant Euronext Market Undertaking pursuant to the Rules and these Trading Procedures.

4.1.3 An Off Order Book Transaction is deemed to have been executed when the details are authorised by the Relevant Euronext Market Undertaking.

4.1.4 For Contracts other than Flex Contracts, where an Admitted Financial Instrument can either be traded through the Central Order Book or executed as an Off Order Book Transaction, a position arising from an Off Order Book Transaction is fungible with positions arising from Transactions entered via the Central Order Book. Once an Off Order Book Transaction has been accepted for clearing, the resulting position is settled and recorded in the same way as a position created in the Central Order Book. For Flex Contracts, Trading Procedure 4.7.2 applies.

4.1.5 For the avoidance of doubt, actions taken by the Relevant Euronext Market Undertaking pursuant to Rule 5402/1 shall apply to Off Order Book trading as well as to the Central Order Book. In particular, where a financial instrument underlying a Derivative admitted to trading on a Euronext Market Undertaking has been suspended at the request of the relevant competent authority or the issuer (as the case may be), Off Order Book Transactions in respect of such Derivative shall not be negotiated during the period of such suspension.

4.1.6 Trading Procedures 4.2 to 4.4 inclusive deal with Technical Trades (i.e. basis trades, asset allocations against actuals); Trading Procedure 4.5 deals with Large-in-Scale Trades and Trading Procedures 4.6 and 4.7 deal respectively with Guaranteed Cross Trades and Flex Contracts.

TECHNICAL TRADES

4.2 Basis Trading

4.2.1 The Basis Trading Facility ("BTF") allows Members to organise and execute, subject to this Trading Procedure 4.2, Transactions involving a combination of an approved basis trade instrument and an appropriate number of offsetting Futures Contracts or, in the case of an Exchange for Swap or Exchange of Options for Options, the appropriate number of related Futures or Options Contracts. For the purposes of these Trading Procedures such Transactions are called "basis trades".

4.2.2 Any Member is permitted to arrange basis trades, subject only to the Member having in place arrangements for the execution of the futures or options leg of a basis trade via a Member holding a relevant trading right ("the basis trade executing Member") to trade the basis trade Exchange Contract.

4.2.3 A basis trade may be negotiated only during the trading hours of the Futures or Options Contract concerned, as published by the Relevant Euronext Market Undertaking from time to time by Notice.

4.2.4 Basis trades may be transacted only in Exchange Contracts which have been designated by the Relevant Euronext Market Undertaking for that purpose. Such designations will be published, from time to time, by Notice and are detailed in Annexe One.

4.2.5 The basis trade executing Member is responsible for assigning the price of the futures or options leg(s) of a basis trade. For the futures or options leg(s) to be authorised, the price(s) assigned must be in accordance with the following :

in respect of equity index Contracts and Single Stock Futures, at or within the Contract high/low traded price of that Trading Day, at or within the Contract best bid and offer at the time the basis trade is negotiated, or at or within the high/low price calculated by the Exchange maintained algorithm (factoring in the cost of carry).

In exceptional circumstances, the Exchange may, at its absolute discretion, authorise a basis trade where the price of the futures or options leg(s) is outside of the parameters set out above. Prior to authorising such basis trade, the Exchange will require additional information from the basis trade executing Member, in relation to the organisation of the basis trade.

4.2.5A (a) Where the basis trade is an EFS in accordance with Trading Procedure 4.2.6(e), for the futures leg(s) to be authorised the price(s) assigned must be within the price range established to date in respect of the delivery month in the relevant Exchange Contract.

(b) Where the basis trade is an EOO in accordance with Trading Procedure 4.2.6(f), for the options leg(s) to be authorised the price(s) assigned must be within the implied volatility range established to date in respect of the expiry month in the relevant Exchange Contract.

4.2.6 The following approaches to the construction of hedge ratios for basis trades are considered acceptable:

(a) Equity securities against Single Stock Futures Contracts: A method based on the relative value of the equity security and the nominal underlying value of the Single Stock Futures Contracts;

(b) Baskets of equity securities against equity index futures contracts: A method based on the relative value of the basket of equity securities and the nominal underlying value of the equity index futures contracts;

(c) European or American style OTC equity options (stock and equity index options) against equity index futures contracts: A method based on the relative deltas of the OTC option and futures contracts in order to achieve a delta neutral position;

(d) European or American style OTC or non-Euronext exchange traded equity options against Single Stock Futures Contracts: A method based on the relative deltas of the OTC or exchange traded option and Single Stock Futures Contracts in order to achieve a delta neutral position;

(e) OTC swaps or options conforming to ISDA standards in relation to milling wheat, rapeseed, corn, malting barley and skimmed milk powder, or in relation to a direct product of such commodity, against the relevant Commodity Futures Contract, herein defined as an Exchange for Swap (“EFS”): A method which is based on the quantity of the commodity or a direct product of such commodity underlying the swap or options position relative to the quantity of the commodity underlying the Futures Contract.

(f) OTC options conforming to ISDA standards in relation to milling wheat, rapeseed, corn, and malting barley, or in relation to a direct product of such commodity, against the relevant Commodity Options Contract, herein defined as an Exchange of Options for Options (“EOO”): A method which is based on the quantity of the commodity or a direct product of such commodity underlying the OTC option position relative to the quantity of the commodity underlying the Options Contract.

Where a hedge ratio differs from such methods, the Member who is submitting the trade for authorisation (see Trading Procedure 4.2.7) is required to justify the method employed in advance of such submission.

4.2.6A Members shall not submit or cause to be submitted to Euronext for authorisation any basis trade Exchange Contract unless there is a corresponding execution of an approved basis trade instrument. The number of basis trade Exchange Contracts must be appropriate to the quantity of the approved basis trade instrument. Members shall satisfy themselves in advance of any such submission of basis trade Exchange Contracts to Euronext for authorisation, that the approved basis trade instrument has been executed in appropriate quantity.

4.2.6B For basis trades as referred to in Trading Procedure 4.2.6 (a) – (d), a minimum volume threshold applies to one leg but not the related other leg. This means that either for the derivatives leg the minimum volume threshold, as published on the Euronext website, is applicable or for the cash leg the relevant large in scale minimum volume threshold is applicable.

4.2.7 When a Member accepts a basis trade order, he must record the order details set out in Trading Procedure 4.2.8 – 4.2.10D and, in addition, the details prescribed by (a) – (c) below, on an order slip. Where a Member employs an electronic system for order routing, such details must be recorded electronically:

(a) time of order receipt;

(b) identity of individual organising the basis trade; and

(c) time stamp (at time of organisation).

All information required to be retained by the basis trade executing Member, pursuant to this Trading Procedure 4.2.7, must be retained by the Member for a minimum period of five years.

After a basis trade has been negotiated the Member, or where the basis trade has been negotiated between two Members, the Member who will be the seller of the futures or options leg of the basis trade, must execute the futures or options leg of the basis trade as a cross transaction, as specified in Trading Procedures 4.2.8 – 4.2.10D, or must procure that the futures or options leg of the basis trade is so executed by another appropriately authorised Member.

4.2.8 Where a basis trade involves equity index futures contracts against a basket of equity securities, or Single Stock Futures Contracts against equity securities, the following details must submitted via UTP by the basis trade executing Member:

(a) Futures Contract in which the BTF is being transacted;

(b) delivery month;

(c) agreed futures price;

(d) number of Futures Contracts;

(e) a unique identifier/reference number for the equity security or basket of equity securities transaction, as applicable;

In addition, the basis trade executing Member must retain, in an easily accessible form that can be audited by the Relevant Euronext Market Undertaking, documentary evidence of the following information:

(f) the identity and volume traded of the equity security or each equity security comprising the basket, as applicable;

(g) the price (including currency) at which each equity security was traded; and

(h) any supplementary cash payment made in conjunction with the transaction.

All information required to be retained by the basis trade executing Member, pursuant to this Trading Procedure 4.2.8, must be retained by the Member for five years. If the basis trade executing Member is not directly responsible for the execution of the cash leg of the basis trade, he must have appropriate arrangements in place with the party organising/executing that leg such that the information in (f) - (h) above can be provided promptly to the Relevant Euronext Market Undertaking.

4.2.9 Where a basis trade involves Single Stock Futures Contracts, or equity index futures contracts against an OTC option/options strategy, the following details must submitted via UTP by the basis trade executing Member:

(a) Futures Contract(s) in which the BTF is being transacted;

(b) delivery month(s);

(c) agreed futures price(s);

(d) number of Futures Contracts;

(e) a unique identifier/reference number for the OTC options/options strategy transaction;

In addition, the basis trade executing Member must retain, in an easily accessible form that can be audited by the Relevant Euronext Market Undertaking, documentary evidence of the following information:

(f) the price(s) (including currency) and nominal value of the OTC option/ options strategy;

(g) the strike price(s) of the OTC option/options strategy;

(h) class – call(s) and/or put(s);

(i) the price(s) of the underlying instrument(s) for the OTC option/options strategy;

(j) the time to expiration of the OTC option/options strategy; and

(k) the delta of the OTC option/options strategy.

All information required to be retained by the basis trade executing Member, pursuant to this Trading Procedure 4.2.9, must be retained by the Member for five years. If the basis trade executing Member is not directly responsible for the execution of the cash leg of the basis trade, he must have appropriate arrangements in place with the party organising/executing that leg such that the information in (f) - (k) above can be provided promptly to the Relevant Euronext Market Undertaking.

4.2.10 Where a basis trade involves Single Stock Futures Contracts against a non-Euronext exchange traded option/options strategy, the following details must be submitted via UTP by the basis trade executing Member:

(a) Futures Contract(s) in which the BTF is being transacted;

(b) delivery month(s);

(c) agreed futures price(s);

(d) number of Futures Contracts;

(e) a unique identifier/reference number for the exchange traded options/options strategy transaction;

In addition, the basis trade executing Member must retain, in an easily accessible form that can be audited by the Relevant Euronext Market Undertaking, documentary evidence of the following information:

(f) the exchange on which the option contract was executed;

(g) the price(s) (including currency) and nominal value of the exchange traded option/ options strategy;

(h) the strike price(s) of the exchange traded option/options strategy;

(i) class – call(s) and/or put(s);

(j) the price(s) of the underlying instrument(s) for the exchange traded option/options strategy;

(k) the time to expiration of the exchange traded option/options strategy; and

(l) the delta of the exchange traded option/options strategy.

All information required to be retained by the basis trade executing Member, pursuant to this Trading Procedure 4.2.10, must be retained by the Member for five years. If the basis trade executing Member is not directly responsible for the execution of the cash leg of the basis trade, he must have appropriate arrangements in place with the party organising/executing that leg such that the information in (f) - (l) above can be provided promptly to the Relevant Euronext Market Undertaking.

4.2.11 Where a basis trade is an EFS involving a Commodity Futures Contract against an OTC swap or option, the following details must be submitted via UTP by the basis trade executing Member:

(a) Futures Contract in which the EFS is being transacted;

(b) delivery month;

(c) agreed futures price; and

(d) number of lots of each Futures Contract.

In addition, the basis trade executing Member must retain, in an easily accessible form that can be audited by the Relevant Euronext Market Undertaking, a copy of the relevant ISDA agreement (the "ISDA Agreement") or the relevant confirmation which forms part of the ISDA Agreement.

The following information should be contained in the documentary evidence:

(a) the price formulae of the swap or OTC option;

(b) the termination/maturity date;

(c) the effective (start) date of the swap or OTC option;

(d) the quantity of the swap or OTC option position relating to the underlying commodity or the direct product of such commodity; and

(e) the referenced futures delivery month.

All information required to be retained by the basis trade executing Member, pursuant to this Trading Procedure 4.2.11, must be retained by the Member for five years. If the basis trade executing Member is not directly responsible for the execution of the cash leg of the basis trade, he must have appropriate arrangements in place with the party organising/executing that leg such that the information above in (a) to (e) can be provided promptly to the Relevant Euronext Market Undertaking.

4.2.12 Where a basis trade is an EOO involving a Commodity Options Contract against an OTC option, the following details must be submitted via UTP by the basis trade executing Member:

(a) Options Contract in which the EOO is being transacted;

(b) Options Contract expiry month;

(c) agreed strike price and premium; and

(d) number of lots of each Option Contract.

In addition, the basis trade executing Member must retain, in an easily accessible form that can be audited by the Relevant Euronext Market Undertaking, a copy of the relevant ISDA Agreement or the relevant confirmation which forms part of the ISDA Agreement.

The following information should be contained in the documentary evidence:

(a) the price formulae of the OTC option;

(b) the termination date;

(c) the start date;

(d) the quantity of the position relating to the underlying commodity or the direct product of such commodity; and

(e) the referenced options expiry month.

All information required to be retained by the basis trade executing Member, pursuant to this Trading Procedure 4.2.12, must be retained by the Member for five years. If the basis trade executing Member is not directly responsible for the execution of the cash leg of the basis trade, he must have appropriate arrangements in place with the party organising/executing that leg such that the information above in (a) to (e) can be provided promptly to the Relevant Euronext Market Undertaking.

4.2.13 The basis trade details must be submitted on UTP as soon as practicable. In any event, details of the basis trade must be submitted by the basis trade executing member within fifteen minutes of the time at which the basis trade was negotiated. Members must not delay submission of a basis trade. . The Relevant Euronext Market Undertaking will check the validity of the details submitted by the executing Member. If the Relevant Euronext Market Undertaking is satisfied that all such details are valid, it will authorise the futures or options leg of the basis trade. The executing Member will then receive confirmation of the details of the trade.

4.2.14 Details of the executed futures or options leg(s) of a basis trade will be submitted to Trade Registration by the trading host.

4.2.15 Authorisation by the Relevant Euronext Market Undertaking of a Transaction does not preclude the Relevant Euronext Market Undertaking from instigating disciplinary proceedings in the event that the Transaction is subsequently found to have been made other than in compliance with Rules and Trading Procedures.

4.2.16 With the exception of a basis trade which is an EFS or an EOO in accordance with Trading Procedure 4.2.6(e) or 4.2.6(f) respectively, the following information with respect to the futures leg of a basis trade will be broadcast on UTP immediately upon authorisation:

(a) Futures Contract(s) and delivery month(s);

(b) futures price(s); and

(c) volume of futures traded.

In addition, these details will be distributed to Quote Vendors, marked with a special trade type indicator.

For each Exchange Contract, the cumulative volume of futures traded as the futures leg of basis trades/asset allocations during the day will also be published.

4.2.17 Where the basis trade is an EFS or an EOO in accordance with Trading Procedure 4.2.6(e) or 4.2.6(f) respectively, the following information with respect to the futures or options leg of an EFS or EOO respectively will be broadcast on UTP immediately upon authorisation:

- Futures Contract(s) and delivery month(s) or Options Contract(s) and expiry month(s); and
- volume of futures or options traded.

In addition, these details will be distributed to Quote Vendors, marked with a special trade type indicator .

For each Exchange Contract, the cumulative volume of futures or options traded as the futures or options leg of basis trades/asset allocations during the day will also be published.

4.2.18 Both the long and short positions associated with the futures or options leg(s) of a basis trade will be passed to Trade Registration and matched under the basis trade executing Member's mnemonic.

4.2.19 Upon request by the Relevant Euronext Market Undertaking the basis trade executing Member must produce satisfactory evidence that the basis trades have been negotiated in accordance with the Rules and Trading Procedures. Basis trade executing Members must, therefore, be in a position to supply documentary evidence in connection with a basis trade, including, but not limited to, evidence confirming the cash leg of basis trades.

Basis trade executing Members may also be required from time to time by the Relevant Euronext Market Undertaking to request, and copy to it, confirmation of the details of the cash leg of a basis trade where another party was responsible for the execution of the cash leg.

4.3 Asset Allocations

4.3.1 Euronext provides an Asset Allocation Facility which allows Members to negotiate and execute, subject to this Trading Procedure 4.3, Transactions involving a specified combination of two Exchange Contracts in an appropriate ratio. For the purposes of these Trading Procedures such Transactions are called "asset allocations".

4.3.2 Any Member is permitted to arrange asset allocations, subject only to the Member having in place arrangements for the execution of the individual legs of the asset allocation via a Member holding a relevant trading right ("the asset allocation executing Member") to trade the asset allocation Exchange Contracts.

4.3.3 An asset allocation may be negotiated only during the trading hours of the Futures or Options Contracts concerned, as published by the Relevant Euronext Market Undertaking from time to time by Notice.

4.3.4 Asset allocations may be transacted only in Exchange Contracts which have been designated by the Relevant Euronext Market Undertaking for that purpose. Such designations are published, from time to time by Notice and are detailed in Annexe One. Asset allocations are not permitted in respect of a delivery month or an expiry month of a designated contract which has never traded. The Asset Allocation Facility can be used in respect of a delivery month for a Futures Contract, or an expiry month for an Options Contract on any Trading Day up to and including the business day preceding the Last Trading Day of that delivery month or expiry month.

4.3.5 The asset allocation executing Member is responsible for assigning the price of the individual legs of an asset allocation. For the individual legs to be authorised, the prices must be at the level trading on UTP at the time the asset allocation is submitted for execution, as specified in Trading Procedure 4.3.8A, or within the high/low traded price that occurred on UTP in the preceding thirty minutes. In the event that no trade has occurred in the relevant delivery month or expiry month on that day at the time the asset allocation is submitted for execution or in the preceding thirty minutes, the price of the individual legs of the asset allocation must be at or within the high/low traded price calculated by an Exchange maintained algorithm.

4.3.6 The hedge ratio considered acceptable will be nominal value for nominal value (currency converted if applicable) for contracts of the same duration or asset class or where no duration bias applies.

4.3.7 After an asset allocation has been negotiated, the asset allocation executing Member (or where the asset allocation has been negotiated between two Members, the Member agreed by mutual consent), must submit the asset allocation details via UTP, as specified in Trading Procedures 4.3.8A – 4.3.9, or must procure that the individual legs of the asset allocation are so executed by another appropriately authorised Member.

4.3.8A In respect of each asset allocation submitted, the Member accepting the asset allocation order must record the order details prescribed by (a) to (j) below, on an order slip. Where a Member employs an electronic system for order routing, such details must be recorded electronically:

(a) time of order receipt;

(b) time of organisation;

(c) executing Member mnemonic;

(d) each Contract in which the asset allocation is being transacted;

(e) delivery month(s) of the Futures Contracts or expiry month(s) of the Options Contracts;

(f) agreed futures prices or options premia;

(g) number of lots of each Futures or Options Contract;

(h) put / call indicators and the exercise price of the Options Contracts (if applicable);

(i) name and signature of individual presenting the trade; and

(j) time-stamp on execution.

4.3.8B All information required to be retained by the asset allocation executing Member, pursuant to Trading Procedures 4.3.8A, must be retained by the Member for five years.

4.3.9 The asset allocation details set out in Trading Procedure 4.3.8A (c) – (h), must be submitted to the Relevant Euronext Market Undertaking as soon as practicable. In any event, details of the asset allocation must be submitted by the asset allocation Executing Member within fifteen minutes of the time at which the asset allocation was negotiated. Members must not delay submission of an asset allocation. No asset allocation can be submitted for execution later than five minutes prior to the close of trading of the contracts concerned. In the case of contracts with different closing times, no asset allocation can be submitted for execution later than five minutes prior to the earliest close of trading of the contracts concerned. The Relevant Euronext Market Undertaking will check the validity of the asset allocation details submitted. If the Relevant Euronext Market Undertaking is satisfied that all such details are valid, it will authorise execution of the asset allocation.

4.3.10 Authorisation of a Transaction does not preclude the Relevant Euronext Market Undertaking from instigating disciplinary proceedings in the event that the Transaction is subsequently found to have been made other than in compliance with the Rules and Trading Procedures.

4.3.11 The following information with respect to the individual legs of the asset allocation will be published on UTP immediately upon authorisation:

(a) Futures Contracts and delivery month(s) or Options Contracts and expiry month(s);

(b) futures prices or option premia; and

(c) volume of futures or options traded.

In addition, these details will be distributed to Quote Vendors, marked with a trade type indicator.

For each Exchange Contract, the cumulative volume of futures and options traded as asset allocations/basis trades during the day will also be published.

4.3.12 Both the long and short positions associated with the individual legs of the asset allocation will be entered to Trade Registration and matched under the asset allocation executing Member's mnemonic.

4.3.13 Upon request by the Relevant Euronext Market Undertaking the asset allocation executing Member must produce satisfactory evidence that the asset allocation has been negotiated in accordance with the Rules and Trading Procedures. Asset allocation executing Members must, therefore, be in a position to supply documentary evidence in connection with an asset allocation.

4.4 Against Actuals

4.4.1 Euronext provides an Against Actuals ("AA") Facility which allows Members to negotiate and execute, subject to this Trading Procedure 4.4, Transactions which relate directly to a specific identifiable underlying transaction in the same or similar physical commodity. Specifically, an AA is a Transaction between two parties involving the purchase or sale of a contract in the terms of an Exchange Contract and either:

(a) the simultaneous price fixing of a directly related contract for sale or purchase, which expressly contemplated price fixing; or

(b) the hedging of a directly related contemporaneous contract for sale or purchase.

4.4.2 AAs may be transacted only in respect of Exchange Contracts which have been designated by the Relevant Euronext Market Undertaking from time to time for that purpose and published from time to time by Notice. The Exchange Contracts designated for AAs are set out in Annexe One to these Trading Procedures.

4.4.3 Any Member is permitted to arrange AAs, subject only to the Member having in place arrangements for the execution of the futures leg of the AA via a Member holding a relevant trading right ("the AA executing Member") to trade contracts in terms of the AA Exchange Contract.

4.4.4 An AA may be negotiated only during the trading hours of the Exchange Contract concerned, as published by the Relevant Euronext Market Undertaking from time to time by Notice.

4.4.5 When a Member accepts an AA order, he must record the order details set out in Trading Procedure 4.4.7 and, in addition, the details prescribed by (a) – (c) below, on an order record. Where a Member employs an electronic system for order routing, such details must be recorded electronically:

(a) time of order receipt;

(b) identity of individual organising the AA; and

(c) time stamp (at time of organisation).

All information required to be retained by the AA executing Member, pursuant to this Trading Procedure 4.4.5, must be retained by the Member for five years. After an AA has been negotiated the Member or, where the AA has been negotiated between two Members, the Member who will be the seller of the futures leg of the AA must submit details of the futures leg of the AA to the Relevant Euronext Market Undertaking via UTP, as specified in Trading Procedures 4.4.6 – 4.4.8, or must procure that the futures leg of the AA is so submitted by another appropriately authorised Member.

4.4.6 The AA executing Member is responsible for assigning the price of the futures leg(s) of the AA. For the futures leg(s) to be authorised, the price(s) must be transacted within the high low range of traded prices on that Trading Day or at or within the best bid and offer at the time at which the AA is negotiated.

4.4.7 The following details must be submitted via UTP by the AA executing Member:

(a) Exchange Contract in which the AA is being transacted;

(b) delivery month(s);

(c) agreed futures price(s);

(d) number of lots of each Exchange Contract; and

(e) counterparty Member mnemonic.

In addition, and subject to Trading Procedure 4.4.15, the AA executing Member must retain, in an easily accessible form that can be audited by the Relevant Euronext Market Undertaking, documentary evidence of the following information:

either

(i) a copy of the physical contract itself, if this was transacted at a specific outright price. The date of the physical contract must be the same as the date of registration of the futures leg;

or

(ii) a copy of a price-fixation confirmation, together with a copy of the directly related contract which shows the price differential or ratio at which the contract was transacted. The date of the price-fixation confirmation must be the same as the date of registration of the futures leg;

and

(iii) that the price (plus premium, less discount, or multiplied by ratio) equates to the price at which the AA was transacted;

(iv) that the futures delivery month referred to in the physical contract or price-fixation confirmation is the same as that for which the AA was registered; and

(v) that the physical contract or price-fixation confirmation relates to at least the equivalent amount of the underlying commodity or a related commodity.

4.4.8 Details of an AA Transaction must be submitted to the Relevant Euronext Market Undertaking by the AA executing Member as soon as practicable. In any event, details of the AA must be submitted by the AA executing Member within fifteen minutes of agreeing to execute the AA. Members must not delay submission of an AA. . If the Relevant Euronext Market Undertaking is satisfied that all such details are valid, it will authorise the futures leg of the AA. The executing Member will then receive confirmation of the details of the trade.

4.4.9 Details of the executed AA will be submitted to Trade Registration by the trading host.

4.4.10 The following information with respect to the futures leg of an AA will be broadcast on UTP immediately upon authorisation:

- Futures Contract(s) and delivery month(s); and
- Volume of futures traded.

In addition, these details will be distributed to Quote Vendors, marked with a special trade type indicator.

For each Exchange Contract, the cumulative volume of futures traded as the futures leg of AA's posted during the day will also be published.

4.4.11 Both the long and short positions associated with the futures leg(s) of an AA will be submitted to Trade Registration and matched under the AA executing Member's mnemonic.

4.4.12 Authorisation by the Relevant Euronext Market Undertaking of a Transaction does not preclude the Relevant Euronext Market Undertaking from instigating disciplinary proceedings in the event that the Transaction is subsequently found to have been made other than in compliance with the Rules and Trading Procedures.

4.4.13 All information required to be retained by the AA executing Member, pursuant to Trading Procedure 4.4.7, must be retained by the Member for five years. If the AA executing Member is not directly responsible for the execution of the physical leg of the AA, he must have appropriate arrangements in place with the party organising/executing the physical leg such that the information in 4.4.7(i) – (v) above can be provided promptly to the Relevant Euronext Market Undertaking.

4.4.14 Upon request by the Relevant Euronext Market Undertaking, the AA executing Member must provide satisfactory evidence that the AA has been executed in accordance with the Rules and Trading Procedures.

LARGE-IN-SCALE TRADES

4.5 Large-in-Scale Trades

Introduction

4.5.1 The Large-in-Scale Trade Facility allows Members to negotiate and execute Transactions involving Large-in-Scale Trades in accordance with these Trading Procedures.

4.5.2 Large-in-Scale Trades may be transacted only in Exchange Contracts which have been designated by the Relevant Euronext Market Undertaking for that purpose, as set out in Annexe One to these Trading Procedures.

4.5.3 The Large-in-Scale Trade Facility allows Members to enter into Large-in-Scale Trades in any Exchange-recognised strategy (as set out in Annexe Two), including inter-contract spreads, through a single Transaction.

4.5.4 The Large-in-Scale Prof is available to Members who wish to enter into Large-in-Scale Trades with one or more counterparties and/or in strategies involving combinations of Large-in Scale Trade Contracts (including, but not limited to, Exchange-recognised strategies). However, each leg of any order executed via a Large-in-Scale Prof must relate to a single counterparty and meet the applicable minimum volume threshold condition and the Large-in-Scale Prof is limited to the following combinations:

(a) futures contracts with the same underlying;

(b) option classes with the same underlying;

(c) delta-neutral strategies, where trades may be in both an option and the related futures contract.

Large-in-Scale Trading Hours/Availability of the Facility

4.5.5 A Large-in-Scale Trade may be negotiated and submitted during the hours published by Notice by the Relevant Euronext Market Undertaking.

4.5.6 Unless specified otherwise by Notice, on the Last Trading Day of a delivery/expiry month the latest time that a Large-in-Scale Trade in respect of such month may be submitted shall be the time at which trading in such month ceases in the Central Order Book.

Minimum Volume Thresholds

4.5.7 For those Exchange Contracts designated pursuant to Trading Procedure 4.5.2 as Large-in-Scale Trade Contracts, the minimum volume thresholds applying to Large-in-Scale Trades are published on the Euronext website.

4.5.8 In respect of strategies, minimum volume thresholds apply to each leg, except in the case of strategies covered by Trading Procedure 4.5.11. Where a strategy involves the trading of two or more different Exchange Contracts, the smaller of the minimum volume thresholds of the contracts comprising the Large-in-Scale Trade will be applied to each of these contracts. Where the strategy involves the trading of two or more different delivery/expiry months and/or exercise prices of the same contract, the minimum volume threshold will apply to the lot size of each leg of the trade. Members must not aggregate separate orders in order to meet the minimum volume thresholds.

4.5.9 In respect of futures contracts designated as Large-in-Scale Trade Contracts, Members must not aggregate separate orders in order to meet the minimum volume thresholds nor may they combine separate orders in respect of different contracts to generate an inter-contract spread trade.

4.5.10 In respect of options contracts designated as Large-in-Scale Trade Contracts, Members must not aggregate separate orders in order to meet the minimum volume threshold on both sides of a Large-in-Scale Trade. However, where a Member receives a Large-in-Scale Trade order which meets or exceeds the relevant minimum volume threshold, he may aggregate orders on the matching side only, in order to facilitate execution of the Large-in-Scale Trade.

4.5.11 In respect of delta neutral strategies, minimum volume thresholds apply to each options leg but not to the related futures leg. In respect of volatility strategies, it is permitted to execute such strategies even if one leg is less than the minimum volume threshold provided that each other leg meets the threshold.

Fair Value

4.5.12 Members should ensure when negotiating Large-in-Scale Trades that their Clients and their potential counterparty(ies) are made aware that the price being quoted is a Large-in-Scale Trade price.

4.5.12A The Large-in-Scale Trade Executing Member is responsible for assigning the price of the Large-in-Scale Trade. For the Large-in-Scale Trade to be authorised by the relevant Euronext Market Undertaking, the price assigned must represent a fair value for that trade, as determined by the Relevant Euronext Market Undertaking.

Large-in-Scale Trade Execution

4.5.13 Once a Large-in-Scale Trade has been negotiated, the Large-in-Scale Trade Executing Member(s) must submit the Large-in-Scale Trade details to the Relevant Euronext Market Undertaking, as specified in Trading Procedures 4.5.15 to 4.5.17. Where a Member is unable to execute the Large-in-Scale Trade himself, he must ensure that he has arrangements in place with another appropriately authorised Member to submit and execute Large-in-Scale Trades before he negotiates any such Large-in-Scale Trade.

Submission by Large-in-Scale Executing Members shall occur in one of two ways:

(a) either one Member is authorised by his counterparties to enter all legs and/or sides of the Trade and see to it that other Members involved are properly allocated their respective side of the Trade; or

(b) each Member involved enters the relevant details for his respective leg(s) and/or side(s) with a view to having such trade details matched within the trading host.

4.5.14 [Deleted]

4.5.15 In respect of each Large-in-Scale Trade order, the following details must be recorded on an order slip, or, where the Member employs an electronic system for order routing, must be recorded electronically, by the Large-in-Scale Trade Executing Member:

(i) time of order receipt;

(ii) an indication of “buy” or “sell”;

(iii) Contract(s) in which the Large-in-Scale Trade is being transacted;

(iv) strategy (as applicable)

(v) delivery/expiry month(s);

(vi) exercise price(s) (as applicable);

(vii) price of each leg of the trade;

(viii) number of lots of each leg of the trade

(ix) an indication of “open” or “close” (customer account) where applicable;

(x) the Prof ID where applicable; and

(xi) name of the individual authorised to submit Large-in-Scale Trades on behalf of the Member.

All information required to be retained by the Large-in-Scale Trade Executing Member, pursuant to this Trading Procedure, must be retained by the Member for five years.

4.5.16 The individual submitting the Large-in-Scale Trade for execution must, if the Member requires regulatory authorisation, be authorised in a capacity which permits him to commit the Member to an “investment agreement”. It is the Member’s responsibility to ensure that only staff he has authorised negotiate or enter into Large-in-Scale Trades on his behalf. Members must also ensure that only staff they have authorised submit details of Large-in-Scale Trades to the Relevant Euronext Market Undertaking.

4.5.17 Once the Large-in-Scale Trade has been negotiated, the Large-in-Scale Trade Executing Member must submit details, contained in Trading Procedure 4.5.15 (ii) to (x) inclusive, of the Large-in-Scale Trade to the Relevant Euronext Market Undertaking as soon as practicable. In any event, the details of the Large-in-Scale Trade must be submitted by the Large-in-Scale Trade Executing Member within fifteen minutes.

4.5.18 Members must not delay submission of a Large-in-Scale Trade.

4.5.19 The time limit for the submission of a Large-in-Scale Trade commences as soon as verbal agreement on all the terms of the Large-in-Scale Trade is reached between the parties to the Large-in-Scale Trade.

4.5.20 For the purposes of Trading Procedure 4.5.17, a transaction in another instrument shall include any such transaction executed in the OTC market or on-exchange, including a Transaction in another Exchange Contract or Security executed on a Euronext Derivatives Market or a Euronext Securities Market.

4.5.21 Market conditions shall be regarded as exceptional during periods of increased trading activity or volatility, whether predictable or not, or at times of significant directional price movement or re-pricing (for instance, following relevant economic announcements).

4.5.22 The Relevant Euronext Market Undertaking will check the validity of the Large-in-Scale Trade details submitted by the Large-in-Scale Trade Executing Member and assess whether the price represents fair value for that trade, taking into account, inter alia, the liquidity of the contract concerned. If the Relevant Euronext Market Undertaking (following consultation, where necessary, with the Clearing Organisation) is satisfied that all such details are valid, it will authorise execution of the Large-in-Scale Trade. The Large-in-Scale Trade volume will be shown as executed to the Large-in-Scale Executing Member via the ITM through which the Large-in-Scale Trade was submitted.

4.5.23 Authorisation by the Relevant Euronext Market Undertaking of a Transaction does not preclude the instigation of enforcement procedures in the event that the Transaction is subsequently found to have been made other than in compliance with the Rules and Trading Procedures.

4.5.24 Upon request by the Relevant Euronext Market Undertaking the Large-in-Scale Trade Executing Member must produce satisfactory evidence that the Large-in-Scale Trade(s) has been negotiated in accordance with the Rules and these Trading Procedures

Publication of Large-in-Scale Trades

4.5.25 Except in the cases specified in_Trading Procedure 4.5.26, once the trade has been authorised, the following information with respect to the Large-in-Scale Trade will be published immediately by the Relevant Euronext Market Undertaking with a relevant trade type indicator:

(i) Contract(s) and delivery/expiry month(s);

(ii) price of each delivery/expiry month(s) and exercise price(s) (as applicable); and

(iii) volume of each delivery/expiry month.

Details of the Large-in-Scale Trade will also be broadcast.

4.5.26 For those Exchange Contracts designated for such purposes in Annexe One to these Trading Procedures, Members may opt for deferred publication of a Large-in-Scale Trade. The period of deferral shall be:

(i) For trades at or above the relevant minimum volume threshold, at the end of that Trading Day*; and*

(ii) For trades at or above the relevant minimum volume threshold, either (a) at the end of that Trading Day or (b) the end of the Trading Day two Trading Days after acceptance of the trade by the Relevant Euronext Market Undertaking, as determined by the Member.

[NB: Paragraph (ii) of this Trading Procedure is not yet in force; Members shall be informed by Notice when it becomes effective.]

The Member submitting the Large-in-Scale Trade for execution must ensure prior to submission that his counterparty to the trade (or all counterparties, as the case may be) agrees with the proposed period of deferral of publication.

For the avoidance of doubt, election of publication deferral is without effect on the timetables for trade detail submission to the Relevant Euronext Market Undertaking, as provided for by Trading Procedure 4.5.17, which have to be strictly observed irrespective of the contemplated publication mode.

4.5.27 For each Exchange Contract, the cumulative volume of Large-in-Scale Trades executed during the Trading Day will also be published at the end of that Trading Day, including those individual trades whose publication is deferred to a subsequent Trading Day pursuant to Trading Procedure 4.5.26 (ii).

OTHER PRE-NEGOTIATED TRADES

4.6 Guaranteed Cross Trades

4.6.1 Where a matched trade (negotiated in accordance with Trading Procedures 3.4.2 to 3.4.6 inclusive) is to be submitted as a Guaranteed Cross Trade, for contracts designated in Annexe One the trade must meet the applicable minimum volume set out in the minimum volume threshold document that is published on the Euronext website, and the price of the trade must be:

(a) within the prevailing best bid and offer price in the Central Order Book; or

(b) at the best bid or offer where the differential between such best bid and offer is the minimum price movement for the Contract concerned; or

(c) where a bid but no offer, or an offer but no bid, exists in the Central Order Book, better than such bid or offer; and

(d) in any event, at a price which represents a fair value for the trade.

4.6.2 The Relevant Euronext Market Undertaking shall immediately publish (with a relevant trade type indicator) the volume and price associated with each Guaranteed Cross Transaction submitted to it.

4.7 Flex Contracts

4.7.1 The Relevant Euronext Market Undertaking may make Flex Contracts available for trading. Such Flex Contracts may only be executed as Off-Order Book Transactions pursuant to this section 4.7 of the Trading Procedures. The minimum volume threshold document, published on the Euronext website, specifies the minimum number of lots required to be executed in any such trade.

4.7.2 A Flex Contract can only be executed as such if at least one of the parameters which a Member is permitted to vary (excluding for the avoidance of doubt the tick size alone) has been varied, making the Flex Contract distinct from a standardised Contract with the same characteristics.

4.7.3 For the avoidance of doubt, a position arising following the execution of a Flex Contract shall become fungible with Contracts executed on the Central Order Book if the Relevant Euronext Market Undertaking subsequently introduces a standardised Contract with the same characteristics.

4.7.4 Members should ensure, when negotiating or executing Flex Transactions, that the price of any such Transaction being quoted represents a fair value for that trade. On each occasion of quoting a Flex Transaction price, the Member must, at the time, make it clear to the potential counterparty(ies), whether a Member or a non-Member Client, that the price being quoted is a Flex Transaction price.

4.7.5 The following information must be submitted to the Relevant Euronext Market Undertaking by the Member:

(a) the Flex Contract concerned;

(b) Expiry Date or Delivery Date (as applicable);

(c) Price and/or Exercise Price (as applicable);

(d) class – call or put (where applicable);

(e) number of lots;

(f) exercise style; and

(g) whether cash settled or physically delivered.

4.7.6 The Member must submit to the Relevant Euronext Market Undertaking the details of the Flex Contract as soon as practicable. In any event, details of the Flex Contract must be submitted by the Member within fifteen minutes of the time at which the Flex Contract was negotiated.

4.7.7 The Relevant Euronext Market Undertaking will check the validity of the details of the Flex Contract submitted by the Member. If the Relevant Euronext Market Undertaking is satisfied that all such details are valid and that the Flex Contract has been entered into at a fair value (to be determined by the Relevant Euronext Market Undertaking in its absolute discretion), it will authorise the Flex Contract and notify the Member accordingly.

4.7.8 Subject to Trading Procedure 4.7.9, once the Flex Contract has been authorised, the information specified in Trading Procedure 4.7.5 will be published immediately, with a relevant trade type indicator:

4.7.9 Members may opt for deferred publication of a Flex Contract for trades at or above the minimum volume thresholds specified in the minimum volume threshold document, published on the Euronext website. The period of deferral shall be until the end of that Trading Day.

The Member submitting the Flex Contract for execution must ensure prior to submission that his counterparty to the trade agrees with the proposed period of deferral of publication.

For the avoidance of doubt, election of publication deferral is without effect on the timetables for trade detail submission to the Relevant Euronext Market Undertaking, as provided for by Trading Procedure 4.7.6, which have to be strictly observed irrespective of the contemplated publication mode.

4.7.10 For each Exchange Contract, the cumulative volume of Flex Contracts executed during the Trading Day will also be published at the end of that Trading Day, including those individual trades whose publication was deferred pursuant to Trading Procedures 4.7.9.

4.7.11 Members must not seek to negotiate a Flex Contract in order to circumvent any conditions concerning the execution of standardised Contracts, including minimum volume threshold conditions applying to the execution of Large-in-Scale Trades. Such action would be considered a violation of Rule 8104/1(v) and may lead to action against the member pursuant to Chapter 9 of the Rules.

PART TWO – NON-HARMONISED AND MARKET-SPECIFIC PROVISIONS

SECTION 1 – TRADING PROCEDURES IN RELATION TO THE AMSTERDAM AND BRUSSELS MARKETS

For convenience, each provision in this Section 1 in relation to the Euronext Derivatives Market organised by Euronext Amsterdam and Brussels is prefixed with the letters "AB".

General

AB.1 Application of Section 1

AB.1.1 Provisions of this Section 1 of PART TWO apply (in addition to those contained in PART ONE) only to Derivatives admitted on the markets organised by Euronext Brussels or by Euronext Amsterdam.

Trading on UTP

AB.2 Account type identifier and Order execution

AB.2.1 When submitting order details to UTP, a Member must submit all material details (including the identifier required by Trading Procedure 3.2.11 and, if applicable, marking the order as a public order, and if so, whether the order is an opening or closing order and specifying the account of the Client).

AB.3 Trade matching Market Makers and Liquidity Providers

AB.3.1 Pursuant to Trading Procedure 3.3.1, PART ONE, in the case of two or more bids or offers of the same price, the Relevant Euronext Market Undertaking may determine and publish by Notice that the relevant bids or offers sent to the market by Market Makers and Liquidity Providers will in certain circumstances have priority up to a certain percentage of the trade to be determined at the discretion of the Relevant Euronext Market Undertaking.