

Euronext RiskGuard Service



What is the Euronext RiskGuard Service?

Euronext RiskGuard is a pre-trade risk management service designed to facilitate the management of trading participants' risk exposure.



Who is Euronext RiskGuard for?

The Euronext RiskGuard service is designed for Risk Managers at Clearing Member firms and Trading Member firms.



Why use RiskGuard?

Manage your customers' or trading firm's risk exposure in real-time, via a service integrated into the Euronext Optiq platform.

- Real-time monitoring service
- Integrated within the core architecture of Optiq® Matching Engine
- Designed to cover both derivatives and cash markets
- FIX 5.0 API and web-based User Interface available via internet¹
- MiFID II compliant
- Supporting Direct Market Access (DMA) and Sponsored Access*
- Advanced Risk Analytics features
- Competitive fee scheme



About Euronext RiskGuard

Euronext RiskGuard provides Risk Managers at Clearing Member firms and Trading Member firms with a service that facilitates the management of their customers' or trading firm's risk exposure.

Available on the Euronext Financial and Commodity Derivatives markets, as well as for Cash Equities, Funds and Fixed Income.

Euronext RiskGuard is fully compliant with MiFID II regulatory requirements.

¹For derivatives markets only

*Sponsored Access is only available for Italian cash markets



Available features in the Euronext RiskGuard Service

Note that Risk Limits can be set, amended or disabled at any time from session open to market close.

- **Drop copy (C/D*):** A powerful risk management tool that provides market participants with near real-time copies of the orders and trades from their controlled entities.
- **Kill Switch (C/D):** 'Suspend' command allowing a General Clearing Member to pull orders (optional) and stop a Non-Clearing Member's trading activity. Also available to Non-Clearing Members and Individual Clearing Members, for their own trading firm's business and that of their clients. For cash markets, can be automatically triggered on disconnection of the Drop Copy feed.
- **Order Size (D) / Order Value (C) Limits:** Possibility to define a Maximum Order Quantity / Value for a firm or a group of traders. Available at Contract level and separately for Buy / Sell Orders for derivatives, and at instrument level for cash markets.
- **Contract (D) / Instrument Restriction (C):** 'Block' command aimed at preventing a risk-monitored entity from submitting orders in a specific contract (D) or instrument (C) when the Risk Manager is aware that a trader does not have permission to trade a particular financial instrument.
- **Daily Maximum Exposure Position (MEP) management (D):** Provides General Clearing Members and Trading Members with the ability to monitor their clients' positions or their own positions on Euronext by setting a limit against a Daily Maximum Exposure Position.
- **Email Alerts (D):** Risk Managers can define a list of email recipients to whom RiskGuard alerts will be sent. There is an option to select the risk controls for which emails will be generated:
 - Kill Switch
 - Contract Restrictions
 - MEP breaches
- **Unpriced order restriction (C):** Allows Risk Managers to forbid the submission of unpriced orders, during continuous trading and/or during call phases.
- **Direct Market Access (DMA) / Sponsored Access (SA):**
 - Risk Managers at Trading Member firms can set limits at the level of logical access and can also disable trading activity at the level of logical access or short code, i.e. Execution Within Firm short code or Client Identification short code**. This allows them to monitor their clients with Direct Market Access (DMA clients). (C/D)
 - Sponsored Access is only available on Italian cash markets*** (C). Self-trade Prevention is available for Sponsored Firms.
- **Additional Features:**
 - Possibility to retrieve the status of applied restrictions in real-time
 - Audit trail
 - Permissioning

*(C): Cash / (D): Derivatives

** Can vary by RiskGuard limit. Please refer to technical documentation for full details

*** Requires dedicated FirmIDs and logical accesses to segregate the activity of the Sponsored Firm

Find out more

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