

EURONEXT RISKGUARD SERVICE

Fast Facts:

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 Derivatives and Cash trading platforms.

- Real-time monitoring service
- Integrated within the core architecture of UTP and Optiq Matching Engines
- Designed to cover all Euronext Cash, Financial and Commodity Derivatives asset classes*
- FIX 5.0 API and web-based User Interface available via the Internet
- MiFID II compliant
- Including Direct Electronic Access (DEA) and Sponsored Access
- Advanced Risk Analytics features
- Competitive fee scheme

* The service is available for Derivatives and Commodities. It will be rolled out to Cash Markets for the implementation of MiFID II on the Optiq platform.

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.

Launched first on the Euronext Derivatives markets, the scope of the service will progressively be extended to include additional functionalities and to cover all asset classes on the Euronext Cash and Derivatives markets.

Euronext RiskGuard is fully compliant with MiFID II regulatory requirements.

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:** A powerful risk management tool that provides market participants with near real-time copies of trade reports and messages related to orders.
- **Kill Switch:** 'Suspend' command allowing a General Clearing Member to pull orders 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 those of their clients.
- **Order Size Limits:** Possibility to define a Maximum Order Quantity for Buy and/or Sell orders or a Maximum Order Value (for Cash markets only) for a firm or a group of traders at various levels i.e. Exchange Code & contract type or contract. Optional flexibility to set a Spot Month and Strategy factors.
- **Contract Restrictions:** 'Block' command aimed at preventing a risk monitored entity from submitting orders in a specific contract when the Risk Manager is 'aware that a trader does not have permission to trade a particular financial instrument'. Possibility to set multiple block commands at an exchange code level.
- **Daily Maximum Exposure Position (MEP) Management:** provides General Clearing Members and Trading Members with the ability to monitor their clients' or their own positions on Euronext by setting a limit against a Daily Maximum Exposure Position at contract level for Derivatives markets.

Risk Managers can manage the exposure of their customers, firm or traders based on each individual risk profile, by defining up to 3 Exposure threshold levels and alerts, thus preventing the monitored entity from breaching the MEP Limit.

Similarly, when the MEP Limit is breached, while order submission is blocked on both sides, Risk Managers have the ability to decide whether orders should be automatically pulled or not.

Automatic alerts are generated when thresholds are being breached or cleared, as well as in the event of MEP being breached.

- **Email Alerts:** Risk Managers have the ability to define a list of email addresses to which RiskGuard alerts will be sent. Option is given to select the risk controls for which emails will be generated:

- Kill Switch
- Contract Restrictions
- MEP Thresholds & MEP Limit

- **Direct Electronic Access (DEA)/Sponsored Access (SA):**

- Trading Members' Risk Managers can define their own groups of ITMs through the UI to fine tune the setup of risk controls for their business or DMA clients. Limits can be set at the group level, and are independent from other limits set at the firm level.
- Sponsored Access*: A Sponsored Client will be defined as a Euronext member's client, identified via a specific SA ClientID and permitted to trade via dedicated member's ITMs.

* The opening of the service will be communicated in due course

- **Additional features:**

- Audit trail;
- Permissioning;
- Extension of Derivatives Risk Controls to cover OTC/Wholesale trading.

Find out more

Contact your relationship manager via our Client Coverage Centre

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