

INTRODUCTION

The Euronext RiskGuard service is designed to provide risk managers at General Clearing Members and Euronext Members with a service facilitating the management of their customers' or trading firm's risk exposure. It allows risk managers to set pre-trade risk controls in order to manage their exposure, or their customers' exposure, in real-time, complementing their own pre-trade risk management systems or those of their customers.

Euronext RiskGuard pre-trade risk controls are available for the Euronext Derivatives Markets through a FIX 5.0 API and/or through a web-based User Interface (GUI). Euronext RiskGuard offers extended risk control and analysis features above a regulatory minimum. Features will be expanded over time to cover all asset classes in the Euronext Cash and Derivatives Markets including AtomX, Euronext's platform for reporting off-orderbook, on-exchange trades.

Euronext's RiskGuard offering demonstrates our commitment to ensuring the stability and ongoing viability of the markets we operate. Members are encouraged to make use of Exchange risk management features in order to ensure that risk management is at the core of every participant's business.

The availability of the Euronext RiskGuard system for our Members follows a considerable investment in our systems. These Exchange risk controls are therefore made available as an optional service at a reasonable cost.

EURONEXT RISKGUARD IMPLEMENTATION

PHASE 1

In phase 1, the following pre-trade risk controls are available for the Euronext Derivatives Markets:

- Kill Switch:
 - The Kill Switch feature provides Risk Managers at Clearing Member firms with a fast and efficient way to halt trading activity at the Exchange level in the event that a trading firm breaches its obligations to its clearer.
 - All open orders and quotes of the impacted entity will be pulled.
 - Any attempt to submit further orders will be rejected until the Clearing Member explicitly reinstates the trading status of the trading firm by sending an 'Unsuspend' command.
 - The Kill Switch feature is similarly provided to Risk Managers at Members allowing them to halt trading activity for their trading firm, for a group of ITMs, or for an individual ITM.
 - Kill Switch is available free of charge via API or GUI.
- Order Size Limits:
 - Provides the possibility to define a Maximum Order Quantity for Buy and/or Sell orders for a member or group of traders at contract level.
 - Contract Restrictions/Block: provides the ability to block a Risk Managed 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'.
- Maximum Exposure Position:
 - 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 at contract level;
 - applies to both Long and Short positions, i.e. it will not be possible to set different limits for long and short positions.

PHASE 2 AND BEYOND

In Phase 2, and subsequent phases, Euronext RiskGuard will be expanded to offer additional pre-trade risk controls through the FIX API and a PTRM GUI.

EURONEXT RISKGUARD FEE SCHEME

Euronext will provide basic RiskGuard features, listed below in Package 1, free of charge. The fee scheme for Euronext RiskGuard services applies to the additional pre-trade risk control and analysis features that the service delivers. Note: Charging, where applicable, is effective from 1 May 2017.

TABLE 1: RISKGUARD PACKAGES

	PACKAGE 1	PACKAGE 2
FEATURES	<ul style="list-style-type: none"> ■ Use of Euronext RiskGuard functionalities via API ■ Kill Switch via API or GUI 	Use of the following Euronext RiskGuard functionalities via GUI: <ul style="list-style-type: none"> ■ Order size limit ■ Position limit ■ Block a trader
COST	No Charge	Fees detailed in tables 2 & 3 below

Package 2 fees for Euronext RiskGuard are applied at a Group level.

TABLE 2: FEES FOR PACKAGE 2, WITH 6 USERS OR FEWER

PARTICIPANTS	DERIVATIVE PRODUCTS
Trading member	€6,000 p.a.
Clearing member	€6,000 p.a.
Trading and Clearing member ¹	€9,000 p.a.

¹ Including monitoring of Non-Clearing Members (NCMs)

TABLE 3: ADDITIONAL USERS

NUMBER OF SYSTEM USERS	PRICING
1 ≤ 6 (standard)	Included in above pricing
7 ≤ 9	Additional €1,000 p.a. per user
10 ≤ 12	Additional €800 p.a. per user
13-19 users	Additional €600 p.a. per user
20-49 users	Additional €400 p.a. per user
50-99 users	Additional €250 p.a. per user
100+ users	Additional €150 p.a. per user

PRICING: QUESTIONS AND ANSWERS

Q: Is the charge applied per user?

A: Yes, the charge is applied per user for additional users.

If, for example, a Trading Member orders Euronext RiskGuard functionalities for 8 users, the standard fee (see table 2) applies for the first 6 users, in this case €6,000 per annum, plus an additional €1,000 * 2 p.a. for the additional users = €2,000 p.a.

The total fee p.a. for this firm would therefore be €8,000.

Q - What happens if a Member joins during the course of the year; is the charge pro rata for the rest of the year? Or is the charge for one whole year applied and renewal dates monitored?

A - Charging will take place on an annual basis from the start date of the service. Payment is upfront in accordance with Euronext's standard invoicing terms, with an annual automatic 1 year renewal on the anniversary of the service unless the service is terminated in accordance with the Euronext terms.

Q - What happens if a Member leaves during the course of the year? Is there a refund/credit for early termination?

A - The Euronext RiskGuard service is for a minimum 1 year contract, which is automatically extended for 1 year on the anniversary of the service unless the Member provides 2 months' notice of termination.

FURTHER INFORMATION

For more information on Euronext RiskGuard, please contact your relationship manager at the Euronext Client Coverage Centre (CCC) on ccc@euronext.com or telephone:

CCC Belgium	+32 2 62 00 586
CCC France	+33 1 85 148 586
CCC Netherlands	+31 2 07 219 586
CCC Portugal	+351 2 10 608 586
CCC UK	+44 20 76 608 586