



Document title

# EURONEXT TCS TRADING MANUAL - OPTIQ<sup>®</sup>

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## 1. INTRODUCTION

This document provides customers with a description of the transactions benefiting from a pre-trade transparency waiver and executed outside the Euronext central order book, but in the Euronext Transaction Confirmation Service (TCS) and therefore deemed executed on the relevant regulated market or multilateral trading facility as appropriate. It provides details that a customer needs in order to use the service.

This document should be read in conjunction with the following Euronext document:

- Euronext Rule Book One

available at: <https://www.euronext.com/en/regulation/harmonised-rules>

This document is applicable to Equity, Equity-like, ETFs, Bonds, Warrants and Certificates Financial Instruments.

For each type of financial instrument and transaction, this chapter presents the conditions and operating mode respectively applicable to the different types of trades.

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### 1.1 TERMS & ABBREVIATIONS

This section provides some high level notes on commonly used terms & abbreviations in this document.

- References to the Regulated Market here cover:

- Euronext - Euronext Amsterdam
- Euronext - Euronext Brussels
- Euronext - Euronext London
- Euronext - Euronext Lisbon
- Euronext - Euronext Paris

- References to the MTF in this document cover:

- Euronext Growth Brussels
- Euronext Growth Lisbon
- Euronext Growth Paris
- Euronext Access Lisbon
- Euronext Access Brussels
- Euronext Access Paris
- Trading Facility Euronext Brussels
- Expert Market Euronext Brussels

- **Securitized Derivatives** refer to the Warrants and Certificates financial instruments.

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## 1.2 GENERAL FEATURES OF TCS

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### 1.2.1 OPENING HOURS

The opening and closing time of TCS are different from the Euronext Optiq system. The TCS system is open from 07.15 to 20.00 (CET), every business day, according to the Euronext trading calendar.

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### 1.2.2 “IN-SESSION” AND “OUT-SESSION” (“After hours”) STATUS

For each trading group, two types of status are available on TCS, depending on the Euronext Optiq system status:

#### **In Session:**

In session phase runs from the pre-opening (7.15 am CET) until the last ‘closed’ phase of the related trading group (“Book State” = 2 (Closed) and “Trading Period” = 3 (Closing)).

#### **Out of sessions:**

Out of sessions runs from the last ‘closed’ phase of the day (see definition above) until the inaccessible phase of Optiq.

Opening, closing and auction times depend on trading groups. Parameters per trading group are as set out in the Appendix to the Trading Manual.

The TCS platform is opened for trading from 7:15 to 20:00 CET on every business day, according to the Euronext trading calendar. However, depending on the type of instrument and operation, restrictions may apply on the trading hours. Restrictions are detailed further in this document on an operation type basis and summarized in Appendix to the Trading Manual.

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### 1.2.3 EXCEPTIONS LINKED TO THE STATUS OF THE SECURITY IN THE EURONEXT OPTIQ® SYSTEM

The status of a given security in the trading system determines whether or not it is authorized to enter an operation on TCS, as follows:

#### **Trading Suspensions:**

When securities are suspended, transactions outside the central order book are not allowed.

#### **Double Volume Cap Management (for Equities, Equity-likes and ETFs):**

MiFID II imposes a cap on the usage of the Negotiated Transaction pre-trade transparency waivers. The caps reference total EU on venue volume and are calculated on a per financial instrument (ISIN) basis at 4% on any particular venue and 8% market-wide in any 12-month rolling period. If a waiver cap is reached, a suspension in the relevant security for the above mentioned ways of trading will be triggered. Should a security not be available for trading under a waiver, any trade report entered using such waivers will be rejected by the TCS platform with a specific error code.

#### **1.2.4 TRADE REJECTION**

Transactions not compliant with the format or the conditions are rejected by the system.

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#### **1.2.5 TRADE CANCELLATION**

A trade can be cancelled according to the general rules and procedures applicable to trade cancellation as set out in the Euronext Notice 4-02 “Order withdrawal and trade cancellation”.

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#### **1.2.6 MIFID II related data instructions**

- MIF2 Short codes such as Execution within firm, Investment Decision within Firm & Client identification are required in the TCS reports to enable Euronext to fulfill its duties related to “kill switch” capabilities.
- MIF2 Trading Venue Transaction Identification Code (TVTIC): To obtain the required unique value members are advised to concatenate 2 fields in the following order: Execution id followed by the ISIN code. Execution id is provided in field Declaration ID in SBE message 42, and field TradeID (tag 1003) in FIX message AR, and the ISIN code is retrieved from the Standing data.

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## 2. TRADE TYPES SUPPORTED IN TCS

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### 2.1 LARGE IN SCALE TRADES

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#### 2.1.1 LARGE IN SCALE TRADES ON EQUITIES

*Article 4(1)(c) of Regulation (EU) N° 600/2014 and Article 7 of Delegated Regulation 2017/587 (RTS 1).*

**Regulatory Reference:**

Euronext Rule Book 1: 4404/2A Large In Scale Trades

**Eligible Equities:**

All equities listed on Euronext regulated markets and MTFs, except on markets other than the market of reference for multi-listed equities, are eligible for Large In Scale (“LIS”) trades.

**Size Requirements:**

For each stock category, the amount submitted by the Member (i.e. quantity of securities multiplied by the price) is compared to the minimum size (pre-trade Large In Scale size) required for the applicable range of ADT attached to the instrument. The ADT used to determine the category of a given stock is accessible there at:

<https://www.esma.europa.eu/policy-activities/mifid-ii-and-mifir/transparency-calculations>

Orders large in scale compared with normal market size for shares and depositary receipts

Average daily turnover (ADT) in EUR	Minimum size of orders qualifying as large in scale compared with normal market size in EUR
ADT < 50 000	15 000
50 000 ≤ ADT < 100 000	30 000
100 000 ≤ ADT < 500 000	60 000
500 000 ≤ ADT < 1 000 000	100 000
1 000 000 ≤ ADT < 5 000 000	200 000
5 000 000 ≤ ADT < 25 000 000	300 000
25 000 000 ≤ ADT < 50 000 000	400 000
50 000 000 ≤ ADT < 100 000 000	500 000
ADT ≥ 100 000 000	650 000

**Price Control:**

For LIS trades on Equities, a 25% control (deviation from the last traded price) to prevent incorrect keying of a trade.

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## 2.1.2 LARGE IN SCALE TRADES ON CERTIFICATES AND OTHER SIMILAR FINANCIAL INSTRUMENTS

*Article 4(1)(c) of Regulation (EU) N° 600/2014 and Article 7 of Delegated Regulation 2017/587 (RTS 1).*

### **Regulatory Reference:**

Euronext Rule Book 1: 4404/2A Large In Scale Trades

### **Eligible Equities:**

All certificates and other similar financial instruments listed on Euronext regulated markets and MTFs, except on markets other than the market of reference for multi-listed equities, are eligible for Large In Scale trades.

Certificates and other similar financial instruments will be handled as Equities.

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## 2.1.3 LARGE IN SCALE TRADES ON BONDS

*Article 9(1)(a) of Regulation (EU) N° 600/2014 and Article 3 of Delegated Regulation 2017/583(RTS 2).*

### **Regulatory Reference:**

Euronext Rule Book 1: 4404/2B Large in Scale Trades

### **Eligible Fixed income instruments:**

All Fixed income instruments listed on Euronext regulated markets and MTFs are eligible for Large In Scale trades with the following LIS pre-trade threshold values:

Bond Type	LIS pre-trade
Corporate Bond	1 000 000
Convertible Bond	1 500 000
Other Public Bond	3 500 000
Covered Bond	1 500 000
Sovereign Bond	6 000 000
Other Bond	2 000 000

### **Price Control:**

A 25% control (deviation from the last traded price) to prevent incorrect keying of a trade.

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## 2.1.4 LARGE IN SCALE TRADES ON SECURITISED DERIVATIVES

*Article 9(1)(a) of Regulation (EU) N° 600/2014 and Article 3 of Delegated Regulation 2017/583(RTS 2).*

### **Regulatory Reference:**

Euronext Rule Book 1: 4404/2A Large in Scale Trades

### **Eligible Securitised Derivatives:**

All securitized derivatives listed on Euronext regulated markets and MTFs are eligible for Large In Scale trades with a LIS pre-trade threshold value set to EUR 60 000.

**Price Control:**

A 25% control (deviation from the last traded price) to prevent incorrect keying of a trade.

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**2.1.5 LARGE IN SCALE TRADES ON ETFs**

*Article 4(1)(c) of Regulation (EU) N° 600/2014 and Article 7 of Delegated Regulation 2017/587 (RTS 1).*

**Regulatory Reference:**

Euronext Rule Book 1: 4404/2A Large in Scale Trades

**Eligible ETFs:**

All ETFs listed on Euronext regulated markets and MTFs are eligible for Large In Scale trades.

**Size Requirements:**

An order in respect of an ETF shall be considered to be large in scale where the order is equal to or larger than EUR 1,000,000.

**Price Control:**

5% maximum around the last disseminated iNAV.

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**2.2. NEGOTIATED TRANSACTIONS IN LIQUID & ILLIQUID FINANCIAL INSTRUMENTS**

*Article 4(1)(b)(i) and (ii) of Regulation (EU) No 600/2014 and Article 5 of Delegated Regulation 2017/587 (RTS 1)*

**Regulatory Reference:**

Euronext Rule Book 1: 4404/5 Other negotiated trades

**Eligible Equities:**

- All equities, ETFs and other similar financial instruments as set out by ESMA listed on Euronext regulated markets and MTFs are eligible for other negotiated transactions. Such transactions are subject to volume cap mechanisms;
- For the avoidance of doubt, Bonds and Securitised Derivatives are not eligible for negotiated transactions, i.e. TCS reports below Large In Scale size will be rejected on Bonds and Warrants / Certificates.

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**2.2.1. Price requirements “In session”**

**Price Requirements for liquid instruments:**

Negotiated transactions should be executed at a price at or within the current volume-weighted average spread reflected in the order book. When there is no spread available on Euronext central order book at the relevant time, negotiated trades should be executed at the last traded price.



**Price Requirements for illiquid instruments:**

- For Equities: 1% around the last traded price
- For ETFs: 1% around the last disseminated Indicative Net Asset Value

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**2.2.2 Price requirements “Out session”**

**Regulatory Reference:**

Euronext Rule Book 1: 4305/1 Out-of-hours trading

**For Equities and ETFs which are illiquid**

- For Equities: 1% around the closing price or last traded price in case a closing price is not available
- For ETFs: 1% around the last disseminated Indicative Net Asset Value

**For Equities and ETFs which are liquid**

- For Equities: at closing price or last traded price in case a closing price is not available
- For ETFs: at the last disseminated Indicative Net Asset Value

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**2.2.3 SPECIAL PROVISIONS FOR OTHER MARKET(S) THAN THE MARKET OF REFERENCE (i.e. secondary listing) FOR EQUITIES, BONDS, OTHER EQUIVALENT SECURITIES, AND ETFs**

**Regulatory Reference:**

Euronext Rule Book 1: 4404/5

**Eligible Securities:**

All multi-listed equities, ETFs on Euronext regulated markets and MTFs where a market of reference has been determined by Euronext are eligible.

**Mandatory matching criteria:**

- Price
- Quantity
- Counterparty
- Direction
- Settlement date
- Indicator of guarantee
- MIC code of the trading venue

**Please note:** This section is specific to the multi-listing of instruments across several Euronext markets whereby trades in the central order book remain conducted in only one single order book on the Market of Reference. This specific section details the type of off-order book trade that can be done for such multi-listed securities on the Euronext markets other than the Market of Reference. This specific section is without effect on all the other types of off-order book trades covered in the document that are already permitted on the Market of Reference.

**Price Requirements**

All the above mentioned price requirements are applicable in- and out-session, albeit that they are assessed by reference to the price conditions of the central order book of the Market of Reference.

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## 2.3 NEGOTIATED TRANSACTIONS SUBJECT TO CONDITIONS OTHER THAN THE CURRENT MARKET PRICE

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### 2.3.1 VWAP TRADES

*Article 4(1)(b)(iii) of Regulation (EU) No 600/2014 and Article 5 of Delegated Regulation 2017/587(RTS 1)*

**Regulatory Reference:**

Euronext Rule Book 1: Rule 4404/3 Trading at or around the volume-weighted average price.

**Eligible Securities:**

All Equities continuously traded are eligible to this type of transactions.

The following rules must be observed:

- the start time cannot be earlier than the official opening time of the trading session;
- the end time must have passed before the transaction is reported;
- the end time must be earlier than the end of the trading session;
- the VWAP period must respect the minimum time period of thirty minutes.

If no start time is indicated, the TCS system considers by default that the VWAP trade begins at the opening time of the session and includes the trades stemming from the opening auction in its price. If no end time is indicated, the TCS system considers by default that the VWAP trade ends after the closing auction or after the trading-at-last phase, depending on the session timetable to which the instrument belongs.

**Price Criteria:**

Authorized margin: 1% on either side of the VWAP price.

**Size Requirements:**

No quantity requirements apply.

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### 2.3.2 DELTA NEUTRAL AND EFP TRANSACTIONS

*Article 4(1)(b)(iii) of Regulation (EU) No 600/2014 and Article 6.c of Delegated Regulation 2017/587(RTS 1).*

This operation type is an automatic creation of the cash leg for a trade on an equity option (delta neutral) or an index futures contract (EFP).

**Regulatory References:**

Euronext Rule Book I: 4404/4 and 4404/7

Euronext Paris: Instruction N04-04: Linked transactions between an option contract and its underlying security.

Euronext Brussels: Instruction NB2-02: Linked transactions between an option contract and its underlying security.

**Eligible Equities:**

The underlying security for the option or the index future must be admitted to trading on the Regulated Market of Euronext Amsterdam, Brussels or Paris.

The list of options on securities and index futures that are eligible for this procedure is determined by Euronext and forms part of the Trading Procedures on the derivatives trading system.

**Participants:**

If the derivatives member that traded the contingent stock is also a member of the Euronext cash marketplace on which the underlying security is admitted, the transaction generated in TCS is under its own code. If the derivatives member that traded the contingent stock is not a member of the Euronext cash marketplace on which the underlying security is admitted, the derivatives member must pass through a cash market member, whose code will be used for the recording of the transaction in TCS. In both cases, the cash market member must authorize Euronext to automatically create the transactions in TCS.

**Underlying security price requirements for delta neutral:**

Without prejudice to the monitoring of the trading conditions for the option, the price of the underlying security must be established in an interval (including limits) around a reference price fixed by Euronext.

In general, by applying the following differences, the interval is determined according to the level of the last traded price:

Last traded price (in Euro)	Difference price (in Euro)
$0 < LTP < 5$	Price Min = $LTP - 0.10$ Price Max = $LTP + 0.10$
$5 \leq LTP < 10$	Price Min = $LTP - 0.25$ Price Max = $LTP + 0.25$
$10 \leq LTP < 25$	Price Min = $LTP - 0.50$ Price Max = $LTP + 0.50$
$25 \leq LTP < 50$	Price Min = $LTP - 1.25$ Price Max = $LTP + 1.25$
$50 \leq LTP < 100$	Price Min = $LTP - 2.50$ Price Max = $LTP + 2.50$
$LTP \geq 100$	Price Min = $LTP - 5$ Price Max = $LTP + 5$

The reference price is the last traded price (LTP), which may have been adjusted by corporate actions on securities that had taken place since the last transaction.

### 3. DEFERRED PUBLICATION THRESHOLDS AND TIMINGS OF PUBLICATION

By default the publication is in real time. However, deferred publication is authorised provided that the following criteria are satisfied:

- The 2 parties of the transactions request to have a deferred publication on their transaction; and
  - the following alternative conditions are met:
    - The transaction is between a Member or a Related Party thereof dealing on own account and a client of that firm; or
    - The transaction is between 2 different Members, involving an investment firm dealing on own account other than through matched principal trading and another counterparty; and
- The size of the transaction is equal to or exceeds the relevant minimum qualifying size based on the Average Daily Turnover of the instrument.

#### 3.1. DEFERRED PUBLICATION THRESHOLDS AND TIMING OF PUBLICATION FOR EQUITIES

Average daily turnover (ADT) in EUR	Minimum qualifying size of transaction for permitted delay in EUR	Timing of publication after the transaction
	10mn	60 minutes
> 100m	20mn	120 minutes
	30mn	End of the trading day
50m – 100m	7mn	60 minutes
	15mn	120 minutes
	25mn	End of the trading day
25m – 50m	5mn	60 minutes
	10mn	120 minutes
	12mn	End of the trading day
5m – 25m	2.5mn	60 minutes
	4mn	120 minutes
	5mn	End of the trading day
1m – 5m	450000	60 minutes
	750000	120 minutes
	1mn	End of the trading day
500,000 – 1m	75000	60 minutes
	150000	120 minutes
	225000	End of the trading day
100,000 – 500,000	30000	60 minutes
	80000	120 minutes
	120000	End of the trading day
50,000 – 100,000	15000	60 minutes
	30000	120 minutes
	50000	End of the trading day
< 50,000	7500	60 minutes
	15000	120 minutes
	25000	End of the trading day

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### 3.2. DEFERRED PUBLICATION THRESHOLDS AND TIMING OF PUBLICATION FOR CERTIFICATES AND OTHER SIMILAR FINANCIAL INSTRUMENTS

These instruments will follow the same table as Equities.

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### 3.3 TIMING OF PUBLICATION FOR BONDS

There is no deferral of publication for Bonds.

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### 3.4 TIMING OF PUBLICATION FOR SECURITIZED DERIVATIVES

There is no deferral of publication for Securitized Derivatives.

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### 3.5 DEFERRED PUBLICATION THRESHOLDS AND TIMING OF PUBLICATION FOR ETFs

Minimum qualifying size of transaction for permitted delay in EUR	Timing of publication after the transaction
10 000 000	60 minutes
50 000 000	End of the trading day

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### 3.6 DEFERRED PUBLICATION AND TIMING OF PUBLICATION FOR TRADES PERFORMED AFTER THE TRADING SESSION

Note that the end of the day for a Euronext security is defined by groups and triggered when the milestone of the market surveillance intervention phase has been sent to the market.

For transactions for which deferred publication is permitted until the end of the trading day, as specified in the chapter “Deferred publication thresholds and timings of publication”, Euronext shall make public the details of those transactions either:

- on the following business day during the pre-opening for publication that were granted a deferred window of 60 or 120 mins; or
- on the date / time specified in the relevant section related to deferred publication otherwise.

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### 3.7 DEFERRED PUBLICATION THRESHOLDS AND TIMING OF PUBLICATION FOR VWAP TRADES

For VWAP transactions the same deferred publication thresholds as set-out for equities will apply.

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### **3.8 TIMING OF PUBLICATION FOR DELTA NEUTRAL TRADES**

There is no deferral of publication for delta-neutral trades. For every transaction carried out on the underlying security following the recording of a delta neutral trade, Euronext shall publish the following information immediately:

- The price, quantity and time of the transaction.
- A specific indicator identifying the transaction.