

# EURONEXT RULE BOOK

## Book I: Harmonised Rules

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Draft pending regulatory approval

# CHAPTER 1: GENERAL PROVISIONS

Draft pending regulatory review

## 1.1. DEFINITIONS

For purposes of this Rule Book, the following capitalised terms shall, unless specifically provided otherwise, have the following meanings:

Admission Agreement	a written agreement entered into between the Relevant Euronext Market Undertaking and a Member or prospective Member in which the Member or prospective Member, as the case may be, applies for membership and agrees inter alia to abide by the Rules from time to time in force;
Admitted Financial Instrument	any Financial Instrument admitted to listing or trading on a Euronext Market;
Affiliate	any Person designated as such by the Relevant Euronext Market Undertaking pursuant to Rule 3.4;
Algorithmic Trading	means trading as defined in article 4(1)(39) of MIFID: ‘algorithmic trading’ means trading in financial instruments where a computer algorithm automatically determines individual parameters of orders such as whether to initiate the order, the timing, price or quantity of the order or how to manage the order after its submission, with limited or no human intervention, and does not include any system that is only used for the purpose of routing orders to one or more trading venues or for the processing of orders involving no determination of any trading parameters or for the confirmation of orders or the post-trade processing of executed. Transactions;
Applicant	an Issuer that is proposing, or is applying, for an admission to listing and/or trading ( <u>as the case may be</u> ) of any of its Securities;
Application Form	a form filed by an Applicant with the Relevant Euronext Market Undertaking requesting admission to listing and/or trading of Securities, notably setting forth the commitments and undertakings from the Applicant vis-à-vis the Relevant Euronext Market Undertaking in connection with an application for admission to listing and/or trading of Securities and, to the extent the latter is approved by the Relevant Euronext Market Undertaking, serving as evidence of the contractual relationship between the Relevant Euronext Market Undertaking and the Issuer;
Automated Order Routing System	any system of computers, software or other devices that allows orders to be sent by a Client to a Member and submitted to the Euronext Trading Platform without substantial human intervention;
Banking Directive	the EU Directive of the European Parliament and of the Council on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (2013/36/EC);
Basket Trade	guaranteed cross trades in two or more Securities involving the same counterparties;
Borsa Italiana	Borsa Italiana S.p.A., a corporation (società per azioni) established on 7th February 1997, regulated and supervised by Consob. the Company purpose is the organization and management of the markets for trading financial instruments as defined in the national and European Union legislation (in particular, the provisions of Legislative Decree no. 58 dated 24th February 1998);
Central Order Book	the Euronext Trading Platform’s order book, in which all submitted orders and any modifications thereto are held until matched, expired or withdrawn;

Certificate	a document embodying one or more Securities;
Class	all options of the same type (call or put), of the same style (e.g. American or European) relating to the same underlying Financial Instrument as determined by the Relevant Euronext Market Undertaking;
Clearing Agreement	the written agreement defining, amongst other things, the mutual rights and obligations of a Member and a Clearing Member in relation to the clearing of Transactions entered into pursuant to Rule 2502;
Clearing Organisation	the entity authorised and regulated as a Central Counterparty pursuant to EMIR and appointed by the Euronext Market Undertaking to clear Transactions being, for the time being, EuroCCP, LCH SA and Euronext Clearing;
Clearing Mandate	a statement, in such form as may be prescribed by the Relevant Euronext Market Undertaking, made by a Member and a Clearing Member, that the Member has appointed the Clearing Member to act on the Member's behalf to clear and settle Transactions executed on a Euronext Market by the Member;
Clearing Member	any Person authorised by the Clearing Organisation to clear Transactions in accordance with the relevant provisions of the Clearing Rule Book;
Clearing Rule Book	the collection of rules governing the operation of the Clearing Organisation, adopted by the Clearing Organisation and approved, where appropriate, by the Competent Authorities, as interpreted and implemented by instructions, notices and procedures issued by the Clearing Organisation;
Client	any Person who employs the services of a Member in relation to one or more orders for the purchase or sale of one or more Admitted Financial Instruments;
Closed-ended Investment Fund	a collective investment scheme that does not offer creation and redemption of shares/units;
Commodity Derivatives	means commodity derivatives as defined in Article 2(1)(30) of MIFIR : 'commodity derivatives' means those financial instruments defined in point (44)(c) of Article 4(1) of Directive 2014/65/EU; which relate to a commodity or an underlying referred to in Section C(10) of Annex I to Directive 2014/65/EU; or in points (5), (6), (7) and (10) of Section C of Annex I thereto;
Competent Authority	the public authority or self-regulatory body having jurisdiction over the relevant matter;
Contract Specifications	the terms and arrangements specified by the Relevant Euronext Market Undertaking pursuant to Rule 5103 in respect of each Derivative which is an Admitted Financial Instrument, issued as a Notice;
Credit Institution	any credit institution as defined in Article 3.1(1) of the Banking Directive, excluding any of the institutions referred to in Article 2(5) thereof;
Cross Transaction	a Transaction executed pursuant to requirements (including those as to price) set out in the Rules whereby both the purchase and the sale are executed by one Member, albeit that the relevant orders must have originated from separate Clients or from separate accounts with different beneficial owners, as the case may be;



Depository Receipt	a Security embodying an entitlement to specific rights attaching to an Underlying Security, issued by an entity other than the Issuer of the Underlying Security;
Euronext Derivative	any non-securitised instrument of one of the following categories: (i) options and futures contracts in respect of Securities or commodities, including equivalent cash-settled instruments; (ii) any other instruments (other than warrants and other types of Securities) the value of which is determined by reference to prices of Securities or commodities, interest rates or yields, foreign exchange rates or other indices or measures which, subject to relevant National Regulations, Euronext may determine to be eligible for trading on a Euronext Market for Derivatives;
Direct Electronic Access	shall have the meaning ascribed to it by Article 4(1)(41) of MIFID;
EEA	The European Economic Area;
EEA Right	the entitlement of a Person to establish a branch or provide services in an EEA State other than that in which it has its head office, subject to the conditions of the relevant single market directive;
Eligible Financial Instrument	an Admitted Financial Instrument specified in the Appendix to the Trading Manual as eligible to be included in the Internal Matching Facility;
EMIR	the Regulation of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories (EP & Council Regulation No.648/2012/EU);
Equity Securities	Shares and other transferable securities equivalent to Shares, as well as any other type of transferable securities giving the right to acquire Equities Securities as a consequence of their being converted or the rights conferred by them being exercised, provided that Securities of the latter type are issued by the issuer of the Underlying Securities or by an entity belonging to the group of the said issuer;
ETF	an “exchange-traded fund”, i.e. an Open-ended Investment Fund providing exposure to the performance of a daily transparent and intra-day priced index or portfolio of assets and offering daily creation/redemption of shares/units;
ETN	an “exchange-traded note”, i.e. a zero-coupon debt security issued by a credit institution or an investment firm, providing exposure to the performance of an intra-day priced underlying reference and offering regular redemption of securities;
ETV	an “exchange-traded vehicle”, i.e. a zero-coupon debt security issued by a special purpose vehicle, providing exposure to the performance of an intra-day priced underlying reference and offering regular redemption of securities;
EuroCCP	European Central Counterparty N.V., a company with limited liability ( <i>naamloze vennootschap</i> ) organised under the laws of the Netherlands and authorised and regulated as a Central Counterparty pursuant to EMIR;
Euronext	the corporate group consisting of Euronext N.V., a corporation (“naamloze vennootschap”) organised under the laws of the Netherlands, the Euronext Market Undertakings and any other subsidiary of Euronext N.V., as the context may require;
Euronext Amsterdam	Euronext Amsterdam N.V., a corporation (“naamloze vennootschap”) organized under the laws of the Netherlands, operator of a securities exchange (“houder van een effectenbeurs”) authorised pursuant to Article 5:26 of the Dutch Financial Supervision Act (“Wet op het financieel toezicht”);

Euronext Brussels	Euronext Brussels S.A./N.V., a corporation (“société anonyme”, “naamloze vennootschap”) organised under the laws of Belgium and recognised as a market operator in accordance with Law of 21 November 2017 on the market infrastructures for financial instruments and transposing Directive 2014/65/EU (“Loi relative aux infrastructures des marchés d’instruments financiers et portant transposition de la Directive 2014/65/UE / Wet over de infrastructuur voor de markten voor financiële instrumenten en houdende omzetting van Richtlijn 2014/65/EU”);
Euronext Clearing	CC&G., a corporation ( <i>società per azioni</i> ) organised under the Italian laws and authorised and regulated as a Central Counterparty pursuant to EMIR;
Euronext Derivatives Market	any market, including any Regulated Market, for Derivatives operated by any Euronext Market Undertaking;
Euronext Derivatives Membership	membership of one or more of the Euronext Derivatives Markets as defined in Rule 2.1;
Euronext Dublin	The Irish Stock Exchange plc, trading as Euronext Dublin, a company incorporated in Ireland (registration no. 539157) whose registered office is 28 Anglesea Street, Dublin 2, Ireland and which is regulated by the Central Bank of Ireland;
Euronext Lisbon	Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A., a corporation (“sociedade anónima”) organised under the laws of Portugal, a regulated market managing company authorised pursuant to the Portuguese Decree-Law n.º 357-C/2007, of October 31st (“Regime jurídico das sociedades gestoras de mercado regulamentado, das sociedades gestoras de sistemas de negociação multilateral, das sociedades gestoras de câmara de compensação ou que actuem como contraparte central, das sociedades gestoras de sistema de liquidação e das sociedades gestoras de sistema centralizado de valores mobiliários”);
Euronext Market	any Euronext Derivatives Market or Euronext Securities Market;
Euronext Market Undertakings	Borsa Italiana, Euronext Amsterdam, Euronext Brussels, Euronext Dublin, Euronext Lisbon, Euronext Paris and Oslo Børs;
Euronext Paris	Euronext Paris S.A., a corporation (“société anonyme”) organised under the laws of France and a market undertaking (“entreprise de marché”) within the meaning of Article L. 421-2 of the French Monetary and Financial Code;
Euronext Securities Market	any Regulated Market for Securities operated by any Euronext Market Undertaking;
Euronext Securities Membership	membership of the Euronext Securities Markets as defined in Rule 2.1;
Euronext Trading Platform	the technical platform operated by Euronext and interlinking Euronext Markets for Securities or for Derivatives, as the case may be;
EU Sanction List	List containing the names and identification details of all persons, groups and entities targeted by financial restrictions, sanctions or other measures that the European Union has applied in pursuit of the specific objectives of the Common Foreign and Security Policy (CFSP) as set out in Article 11 of the Treaty on European Union, to help prevent the financing of terrorism;

Exercise Price	the price at which the underlying asset is purchased or sold pursuant to the exercise of an Option Contract;
Financial Institution	any financial institution as defined in Article 3.1(22) of the Banking Directive, which fulfils the conditions set forth in Article 34 thereof;
Financial Instrument	any Security or Derivative;
Flex Contract	an Admitted Financial Instrument which permits a Member to vary certain parameters of the Contract Specifications within the limits specified by the Relevant Euronext Market Undertaking;
Guaranteed Cross Trade	a Cross Transaction executed pursuant to the Rules which does not interact with orders in the Central Order Book but whose price is constrained by the prices of such orders;
Home State	the country in which a Person has its registered office or, absent a registered office, its head office or, in the case of an individual, the country in which such individual has its principal place of business;
Insider Dealing	the activities specified in Article 8 (Insider Dealing) of the Market Abuse Regulation (Regulation 596/2014/EU);
Internal Matching Facility	a service for a member which implies that an order in respect of an Eligible Financial Instrument entering the order book already containing an order by that member at the best limit will be executed against this latter order without regard to its entry time;
Investment Company	an investment company whether or not constituted as a UCITS;
Investment Firm	shall have the meaning ascribed to it by Article 4(1)(1) of MIFID;
Investment Service	any of the services listed in Section A of Annex 1 to MIFID, relating to any Financial Instrument, that are provided to a third party;
Issuer	any legal entity whose Securities (or any class) have been admitted or are the subject of an application for admission to listing and/or trading ( <u>as the context requires</u> ) on a Euronext Market;
Large-in-Scale Trade	in respect of the Euronext Securities Markets, any Transaction of the kind defined in Rule 4404/2; in respect of the Euronext Derivatives Markets shall have the meaning ascribed to it by Rule 5602/1(b);
LCH SA	Banque Centrale de Compensation S.A., a corporation (“société anonyme”) organised under the laws of France and authorised and regulated as a Central Counterparty pursuant to EMIR;
LEI	legal entity identifier, as defined in ISO 17442;
Liquidity Provider	unless otherwise specified in Book II, any Member or, in respect of Euronext Derivatives Markets, any Member or Client of a Member who has undertaken, and been appointed by the Relevant Euronext Market Undertaking, to enhance the market liquidity of a particular Admitted Financial Instrument, in accordance with Rule 4107 or Rule 5105, as the case may be and not pursuing any Market Making activity as defined in Article 17(4) and Article 48(2) of MiFID;
Liquidity Provision Programme	a written agreement entered into between the Relevant Euronext Market Undertaking and a Liquidity Provider pursuant to Rule 4107 or Rule 5105, as the case may be;

Listing Agent	a legal entity appointed by the Issuer to assist and guide the relevant Issuer in respect of an admission to listing and/or trading of its Securities on a Euronext Securities Market;
Long Code	at the latest by the end of the day, Members are required to supply information mapping each short code to an LEI, National ID or Algorithm ID (so-called Long Code) to allow Euronext to complete its order records in the format required by MiFIR;
Market Capitalisation	Unless specifically provided otherwise with regards to a particular Security on a particular day: (i) the price multiplied by the number of Securities of that particular type at a certain period of time, subject to a maximum of the total number of Securities of that type admitted to listing on a Euronext Securities Market, or (ii) in the case of Bonds, the amount obtained by multiplying the percentage stated as the issue price of the Bond by the issued nominal amount of the relevant issue at the end of that day;
Market Maker	means a Market Maker as defined in Articles 4(1)(7), 17(4) and 48(2) of MIFID;
Market Making Agreement	means a written agreement entered into between the Relevant Euronext Market Undertaking and a Member according to Article 1 of the Commission Delegated Regulation (EU) 2017/578. The content of the agreement, made public by Euronext, include at least the provisions listed in Article 2 of Commission Delegated Regulation (EU) 2017/578 with regard to regulatory technical standards specifying the requirements on market making agreements and schemes;
Market Making Scheme	means a written agreement entered into between the Relevant Euronext Market Undertaking and a Member according to Article 48 (2) (b) of MIFID and Article 5 of the Commission Delegated Regulation (EU) 2017/578. The content of the agreement, made public by Euronext include at least the provisions listed in Article 5 of Commission Delegated Regulation (EU) 2017/578 with regard to regulatory technical standards specifying the requirements on market making agreements and schemes;
Market Manipulation	the activities specified in Article 12 (Market Manipulation) of the Market Abuse Regulation (Regulation 596/2014/EU);
Market of Reference	where an Admitted Financial Instrument is admitted to trading on more than one Euronext Securities Market (other than those operated by Borsa Italiana, Euronext Dublin, Euronext Lisbon and Oslo Børs), the Market of Reference shall be the Euronext Securities Market specified by Euronext on which all Transactions in the Central Order Book shall be executed;
Member	any Person who has been admitted to Euronext Securities Membership or Euronext Derivatives Membership and whose membership has not been terminated;
Member State	any of the Member States of the European Economic Area;
MIFID	the Directive of the European Parliament and of the Council on markets in financial instruments (EP & Council Directive 2014/65/EU);
MIFID Passport	the freedom of an Investment Firm or a Credit Institution to carry on investment business throughout the European Economic Area on the basis of authorisation by the competent authorities of its home Member State pursuant to MIFID or the Banking Directive, as the case may be;

MIFIR	the Regulation of the European Parliament and of the Council on markets in financial instruments (EP & Council Regulation (600/2014/EU);
National Regulations	any and all laws and regulations applicable in the jurisdiction of the Relevant Euronext Market Undertaking;
NAV Trading	a facility specially designed for and limited to the trading of Open-Ended Investment Funds. This service is offered to fund agents and to other Members of the relevant Euronext Securities Market;
“Non-executing Broker”	a firm authorised to conduct the restricted activities specified in Rule 2102/2.
Non-MIFID Firm	a Person without the right to a MIFID Passport, including a Person established within a Member State of the European Economic Area but excluded from the scope of MIFID and a Person from a third country, whether authorised or not;
Notice	any written communication, labelled “Notice”, issued by the Euronext Market Undertakings to Members or Issuers generally or to any class of Members or Issuers for the purpose of interpreting or implementing the Rules or any other purpose contemplated in this Rule Book;
Off Order Book Transaction	shall have the meaning ascribed to it by Rule 5602/1;
Open-ended Investment Fund	A collective investment scheme offering regular creation/redemption of shares/units;
Oslo Børs	Oslo Børs ASA, a Norwegian public limited liability company whose registered office is Tollbugata 2, 0152 Oslo, Norway, and which has been authorised to operate regulated markets, including official stock exchange (børs) pursuant to the Securities Trading Act of 2007;
Participation Certificate	a Certificate of participation in an Investment Fund;
Partner Market	a market which is the subject of an agreement with a Euronext Market Undertaking pursuant to Rule 3101/1;
Penalty Bench	a special compartment maintained by the Relevant Euronext Market Undertaking grouping together Issuers that do not comply with the Rules;
Person	any individual, corporation, partnership, association, trust or entity as the context admits or requires;
Primary Market Maker or Primary Liquidity Provider	a (designated) Liquidity Provider having certain quoting obligations greater than those of a Competitive Market Maker (where such Competitive Market Maker exists) as determined and published by the Relevant Euronext Market Undertaking from time to time;
Public-Law Issuer	an Issuer that is a state, a territorial body under public law or an international institution under public law;
Recovery Box	a special compartment maintained by the Relevant Euronext Market Undertaking grouping together Issuers that are subject to insolvency procedures;
Regulated Market	any organised market for Financial Instruments within the scope of Article 4(1)(21) of MIFID;

Regulatory Technical Standard	shall mean a regulatory technical standard adopted by the European Commission in accordance with Articles 10 to 14 of EP & Council Regulation No. 1095/2010/EU;
Relevant Euronext Market Undertaking	the Euronext Market Undertaking which has approved, or is in the process of reviewing, the application for Euronext Membership of the relevant Member or prospective Member, or the Euronext Market Undertaking which has admitted the relevant Financial Instrument to listing or trading on a Euronext Market or with which the relevant application for admission to trading is pending, as the context requires;
Responsible Person	an individual designated as such by a Member and registered with the Relevant Euronext Market Undertaking pursuant to Rule 2202;
Retail Trading Facility	arrangements designed to provide appropriate matching rules for Retail Orders, in consideration of their specific nature. In these Rules, such arrangements include the dedicated specific provisions of Rules 4202/1, 4205, 4401/1, 4503/2 and 4503/3A;
Retail Liquidity Provider	any Member who has been appointed by the Relevant Euronext Market Undertaking to provide Retail Liquidity Quotes in the Central Order Book;
Retail Liquidity Firm Quote	any limit order posted in the Central Order Book by a Retail Liquidity Provider acting in such capacity and available to be matched only with Retail Orders submitted by Retail Member Organisations;
Retail Member Organisation	any Member who has been accepted by the Relevant Euronext Market Undertaking to submit Retail Orders in the Central Order book in accordance with conditions specified and published by the Relevant Euronext Market Undertaking;
Retail Order	any order for which the Retail Member Organisation has sufficient reason to believe that it originates from a retail client (i.e. from a client who has not been classified as a “professional client” within the meaning of MIFID definition or equivalent definition in respect of a broker established in a country outside the European Economic Area);
Rules	the rules set forth in this Rule Book, as interpreted or implemented by Notices;
Rule Book	this Book I and the relevant Book II
Security	any transferable security of one of the following categories: <ul style="list-style-type: none"> <li>(i) Equity Securities;</li> <li>(ii) Certificates;</li> <li>(iii) Depositary Receipts in respect of Shares;</li> <li>(iv) bonds or other debt securities;</li> <li>(v) warrants or similar securities entitling the holder to acquire any of the aforesaid securities or any basket of such securities or to receive a cash amount determined by reference to a future price or value of any such security or basket;</li> <li>(vi) units in collective investment undertakings or participation units in other investment vehicles;</li> <li>(vii) any other securities which, subject to relevant National Regulations, Euronext may decide to be eligible for trading on a Euronext Market for Securities;</li> </ul>
Shares	any shares of capital stock or other equity securities issued by a corporation or other incorporated business enterprise;
Short Code	code to be submitted by Members, used on each order entry, in order to minimize the information which has to circulate with the order and to ensure appropriate security standards of confidential information;



Sponsored Access	an arrangement whereby a Member (the Sponsoring Member) permits a Client (the Sponsored Participant) to use its trading code to transmit orders to a Euronext Market other than by way of the Member's trading infrastructure, subject to conditions set forth in Rule 3.3;
Sponsoring Member	a Member sponsoring a Sponsored Participant pursuant to Rule 3.3.;
Sponsored Participant	a Client that benefits from Sponsored Access solutions pursuant to Rule 3.3.;
Technical Trade	shall have the meaning ascribed to it by Rule 5602/1(a);
Trading Day	any day on which the relevant Euronext Market is open for trading;
Trading Host	the central processing system of the Euronext Trading Platform for Securities or Derivatives, as the case may be;
Trading Hours	the trading hours on any Trading Day, as announced by a Notice;
Trading Manual	those procedures concerning the Euronext Securities Markets issued pursuant to Rule 4105, issued as a Notice;
Trading Procedures	those procedures concerning the Euronext Derivatives Markets issued pursuant to Rule 5106, issued as a Notice;
Transaction	any purchase or sale of an Admitted Financial Instrument on a Euronext Market;
UCITS	an Undertaking for Collective Investment in Transferable Securities;
Underlying Security	any Security of the kind defined in Rule 6606;
Union Law	any and all laws and regulations operating within the member states of European Union.

### 1.2. CONSTRUCTION

- 1201** References to any law, regulation, directive or rule shall be construed as those in force at the relevant time, as the same may have been amended.
- 1202** The Rule Book is composed of a harmonised part ("Book I") and a part which is market-specific ("Book II"). Unless specifically provided otherwise, cross-references to Rules, chapters or sections in this Rule Book shall be construed to refer to Rules, chapters or sections of the same book.
- 1203** In respect of Euronext Dublin, rules in Book I shall only apply when explicitly incorporated in the relevant Book II ("Member Firm Rules").
- 1203A** In respect of Borsa Italiana, rules in Book I shall only apply when explicitly incorporated in the relevant Book II and in the accompanying Instructions and Guides.
- 1204** Chapter or section headings in this Rule Book or in the Notices are for ease of reference only; they are not part of the content of the relevant chapter or section and do not in any way affect the interpretation thereof.
- 1205** Capitalised terms used in this Rule Book shall be construed to be of such gender or number as the context admits or requires.
- 1206** Capitalised terms defined in Rule 1.1 and used but not otherwise defined in Notices or other communications of the Euronext Market Undertakings shall have the same meaning therein as set forth in Rule 1.1.
- 1207** Unless specified otherwise, references to decisions or determinations made or to be made, or other acts performed or to be performed, by Euronext shall be construed to refer to decisions, determinations or other acts made or performed, or to be made or performed, jointly by the Euronext Market Undertakings.
- 1208** Unless specifically provided otherwise, time specifications in this Rule Book or in Notices or other communications of the Euronext Market Undertakings shall be construed to refer to Central European Time.
- 1209** Unless specifically provided otherwise, any time periods stated in this Rule Book or in Notices or other communications of the Euronext Market Undertakings shall be counted from midnight to midnight. The time periods shall be deemed to begin on the day following the day on which the event that causes such period to begin takes place. If the date on which any such period terminates is not a Trading Day, the relevant time period shall expire on the next Trading Day. Time periods stated in months or years shall be counted from the starting day through the day proceeding the corresponding day in the relevant subsequent month or year.
- 1210** Unless specifically provided otherwise, references to the European Union should be interpreted as references to the EEA where the context requires, mutatis mutandis.

### 1.3. LANGUAGE

- 1301** Book I of this Rule Book is drawn up, and Notices shall be issued, in English and, where appropriate, the language(s) of the jurisdiction of each Euronext Market Undertaking. These language versions are equally authentic.



- 1302** For each Euronext Market Undertaking, Book II of this Rule Book is drawn up, and Notices shall be issued, in English and, where appropriate, in the language(s) of the jurisdiction of that Euronext Market Undertaking. Subject to National Regulations, these language versions are equally authentic.
- 1303** Any applications, filings and correspondence with, and submissions to, a Euronext Market Undertaking by Members, Issuers and prospective Members or Issuers shall be in English or in the language or one of the languages of such Euronext Market Undertaking, as each Member, Issuer or prospective Member or Issuer may elect.

### 1.4. IMPLEMENTATION AND MODIFICATION OF RULES

- 1401** This Rule Book shall be implemented and interpreted by:
- (i) Notices applicable to all Euronext Derivatives Markets, issued jointly by the Euronext Market Undertakings;
  - (ii) Notices applicable to all Euronext Securities Markets, issued jointly by the Euronext Market Undertakings;
  - (iii) Notices applicable only to markets operated by one Euronext Market Undertaking, issued separately by that Euronext Market Undertaking; and
  - (iv) individual decisions adopted by one Euronext Market Undertaking pursuant to the Rules.

Notices shall become effective and binding upon publication by the Euronext Market Undertakings in the manner set forth in Rule 1501 or at such subsequent date as is specified in such publication.

- 1402** With a view to the adequate and proper operation of the Euronext Markets and the protection of the interests of participants on those markets, the Euronext Market Undertakings may modify the Rules, including by adopting additional Rules, whenever it deems such modifications necessary or appropriate.

The Rules are modified by decision adopted jointly by the Euronext Market Undertakings in the case of Rules set forth in Book I, or by decision of the Relevant Euronext Market Undertaking in the case of Rules set forth in Book II, in each case subject to approval by the Competent Authorities. Such modifications shall become effective and binding on all Members and Issuers upon publication by the Euronext Market Undertakings in the manner set forth in Rule 1501 or at such subsequent date as is specified in such publication.

If any modification of the Rules, other than a modification required by European Community law or National Regulations, materially adversely affects the rights or obligations of Members generally or of any class of Members, then any Member so affected may terminate its Euronext Membership by notice in writing given to the Relevant Euronext Market Undertaking within five Trading Days from the date of publication of the relevant modification.

### 1.5. PUBLICATION AND COMMUNICATIONS

**1501** The Euronext Market Undertakings shall ensure publication of this Rule Book, subsequent amendments to the Rules, and Notices through dissemination to its Members and/or Issuers or to the relevant class of Members or Issuers via its trading system, publication in its periodical publications or individual notification as appropriate.

**1502** Unless specifically provided otherwise, any notification or other communication specific to a Member or an Issuer which is required to be made in writing by any Rule may be made by any means of communication producing or permitting reproduction of a written or printed text of the notice.

Any such notification or communication shall be deemed to have been received when effectively delivered to the recipient's address or transmitted to its fax number or electronic mail address, as the case may be, except that any notification or communication made by ordinary mail shall be deemed to have been received on the second, fourth or seventh Trading Day following the postal stamp date, depending on whether the notice is sent within the same country, to another Member State or to a country outside the European Economic Area, respectively.

Any such notification or communication to a Member or to an Issuer shall be made to the address, fax number or electronic mail address specified in writing by such Member or Issuer. For Members, such a registration has to be done pursuant to Rule 2.7 or Rule 3.7, as the case may be.

**1503** A Relevant Euronext Market Undertaking may record conversations conducted on telecommunications equipment of any kind located on its premises, including for the avoidance of doubt conversations conducted from such premises using portable telecommunications equipment. Any such recordings shall be retained by that Euronext Market Undertaking on such terms and conditions as may be prescribed from time to time.

#### 1.5.A. OBLIGATIONS OF REGULATED MARKETS

**1501A** Euronext Market Undertakings are required, pursuant to National Regulations, to:

- (i) have clear and transparent Rules which (a) provide for fair and orderly trading and establish objective criteria for the efficient execution of orders; and (b) ensure that any Financial Instruments admitted to trading are capable of being traded in a fair, orderly and efficient manner;
- (ii) establish and maintain effective arrangements and procedures for the regular monitoring of the compliance with the Rules by Members and Issuers; and
- (iii) monitor the activity undertaken by Members in order to identify breaches of the Rules, disorderly trading conditions or conduct that may involve market abuse.

**1502A** The Relevant Euronext Market Undertaking may, if in its opinion any circumstances calling for emergency action have developed or are developing and, whenever possible, after consultation with the relevant Competent Authority (and, in any case, after notifying such Competent Authority), take any steps on a temporary basis to provide for, correct or check the further developments of those circumstances in order to preserve or restore conditions enabling the maintenance of fair and orderly trading and efficient execution of orders. Steps taken pursuant to

this Rule 1502A shall be published by Notice or by such means as are considered appropriate and subsequently confirmed by Notice.

**1503A** For the purposes of Rule 1502A, “circumstances calling for emergency action” should be construed as being any unexpected circumstances which threaten, or potentially threaten, the ability of the Relevant Euronext Market Undertaking to meet its responsibilities as an operator of regulated markets to maintain the fair, orderly and efficient conduct of business on the markets and the due performance of contracts. Such circumstances include, but are not limited to, extreme asset price volatility, failure or compromise of critical IT systems and material systemic problems within financial markets.

**1504A** The steps taken pursuant to Rule 1502A may include, but would not be limited to, those actions listed below:

- (i) the suspension or restriction in some way of business on any of the Euronext Markets pursuant to Rule 4403 and/or Rule 5402;
- (ii) the closure for any period of any of the Euronext Markets pursuant to Rule 4403 and/or Rule 5401;
- (iii) the cancellation of trade(s) on any of the Euronext Markets pursuant to Rule 4403 and/or Rule 5403;
- (iv) the cancellation of trade(s) on the Euronext Derivatives Market which are not accepted by the Clearing Organisation;
- (v) any investigation, audit or check in respect of a Member or an Issuer to ensure compliance with the Rules pursuant to Rules 9.2, 6107 and/or 6901; and
- (vi) the suspension of membership rights and/or termination of membership pursuant to Rule 2.8 and/or Rule 9.3.

This may result in the inability of one or more Members and, through such Members, one or more Clients, to enter into Transactions.

**1505A** Rule 1502A is without prejudice to the powers of a Competent Authority to require a Euronext Market Undertaking to take, or cease taking, steps including those steps listed, without limitation, in Rule 1504A.

**1506A** Members are required to draw the statements in this Rule 1.5A to the attention of their Clients.

### 1.6. EXCLUSION OF LIABILITY

**1601** Euronext wishes to draw the following statement to the attention of Members and Issuers.

**1602** Unless otherwise expressly provided in the Rules or in any other agreement between Euronext and a Member or an Issuer, Euronext shall, to the fullest extent under applicable law, have no liability whatsoever to any Member, Issuer or to any other person (including, without limitation, any Client of a Member) in contract, tort (including, without limitation, negligence) or under any other cause of action in respect of any damage, loss, cost or expense of whatsoever nature (together “Losses”)

suffered or incurred by a Member, Issuer or any other person, as the case may be, as a result of their participation in Euronext Markets and including where relevant any Losses suffered as a result of Euronext taking any of the steps set out in Rule 1.5A.

Nothing in this Rule 1602 shall be construed as an attempt by Euronext to exclude liability for any matter for which liability cannot be excluded under applicable law including, where relevant, fraud, fraudulent misrepresentation or wilful default.

**1603** Members are required to draw the statements in this Rule 1.6 to the attention of their Clients.

**1604** For the purposes of this Rule 1.6, references to “Euronext” shall include any officers, employees, agents and representatives of Euronext.

### 1.6.A. CONFIDENTIALITY OF INFORMATION

**1601A** All information concerning the affairs of an Issuer, a Member or an applicant for Membership obtained or received by a Euronext Market Undertaking shall be treated as confidential and, subject to Rule 1602A, shall not be passed on to a third party without the explicit written approval of the Person in question.

**1602A** The Euronext Market Undertaking shall be able to pass on confidential information in respect of such Person (without seeking that Person’s approval) to:

- (i) another Euronext Market Undertaking;
- (ii) the Clearing Organisation and/or a settlement agent;
- (iii) in the case of an Issuer, the Paying Agent and/or the Sponsor duly appointed by such Issuer;
- (iv) a Competent Authority; or
- (v) any Person or body which in the opinion of Euronext exercises a legal or regulatory function under any law or regulation or a function comprising or associated with the enforcement of such a function,

provided that any Person receiving confidential information pursuant to this Rule 1602A is subject to professional secrecy obligations and shall be required to respect the confidentiality of such information.

**1603A** The Euronext Market Undertaking may provide to an Issuer confidential information relating to the trading of its Securities on a Euronext Market provided that the Issuer treats such information as confidential and does not pass it on to a third party.

### 1.7. GOVERNING LAW

**1701** All provisions in this Rule Book in respect of orders and/or Transactions executed, deemed to be executed or entered into on the respective Euronext Market and all matters related thereto and, subject to Rule 1702, all other provisions of the Rule Book shall be governed by and construed:

- (i) in respect of Euronext Amsterdam, in accordance with the laws of the Netherlands and, without prejudice to any agreement to go to arbitration, shall be subject to the exclusive jurisdiction of the Dutch courts;
- (ii) in respect of Euronext Brussels, in accordance with the laws of Belgium and, without prejudice to any agreement to go to arbitration, shall be subject to the exclusive jurisdiction of the Belgian courts;
- (iii) in respect of Euronext Dublin, in accordance with the laws of Ireland and, without prejudice to any agreement to go to arbitration, shall be subject to the exclusive jurisdiction of the Irish courts;
- (iv) in respect of Euronext Lisbon, in accordance with the laws of Portugal and, without prejudice to any agreement to go to arbitration, shall be subject to the exclusive jurisdiction of the Portuguese courts;
- (v) in respect of Euronext Paris, in accordance with the laws of France and, without prejudice to any agreement to go to arbitration, shall be subject to the exclusive jurisdiction of the French courts;
- (vi) in respect of Oslo Børs, in accordance with the laws of Norway and, without prejudice to any agreement to go to arbitration, shall be subject to the exclusive jurisdiction of the Norwegian courts;
- (vii) in respect of Borsa Italiana, in accordance with the laws of Italy and, without prejudice to any agreement to go to arbitration, shall be subject to the exclusive jurisdiction of the Italian courts.

For the avoidance of doubt, all Transactions in the Central Order Book shall be executed on the Market of Reference and subject to the applicable laws and the exclusive jurisdiction of the courts relevant to that market as specified in this Rule 1.7.

- 1702** Other than for those provisions of the Rule Book in respect of orders and/or Transactions executed or entered into on the respective Euronext Market and all matters related thereto, The Relevant Euronext Market Undertaking and the Member may agree in a written agreement a choice of governing law and jurisdiction different from that specified in Rule 1701.
- 1703** Nothing contained in these Rules overrides any provision of applicable National Regulations and, in the case of any conflict between any provision of these Rules and National Regulations, National Regulations will prevail.
- 1704** All personal data processed by Euronext shall be processed in accordance with applicable law and regulation. Information about such processing shall be provided by the privacy policy made available on the Euronext website or in specific agreements to which Euronext is a party.

### 1.8. ENTRY INTO EFFECT

- 1801** This Rule Book shall enter into effect as of a date to be announced by Euronext by Notice.

# CHAPTER 2: EURONEXT MEMBERSHIP

Draft pending approval

### 2.1. EURONEXT MEMBERSHIP AND MEMBERSHIP CAPACITIES

#### 2101 EURONEXT MEMBERSHIP

- 2101/1** Any person wishing to become a Member of a Euronext Derivatives Market or a Euronext Securities Market must apply for membership in accordance with the provisions of this Chapter 2. The admission of a Person to Euronext Derivatives Membership or Euronext Securities Membership (as the case may be) is subject to the prior written approval of the Relevant Euronext Market Undertaking. Upon admission by a Relevant Euronext Market Undertaking pursuant to this Chapter 2, a Person shall be denoted as a Euronext Derivatives Member and/or a Euronext Securities Member (as the case may be).
- 2101/2** The trading privileges and obligations of a Member shall be set forth in this Rule Book, the Admission Agreement and in other specific agreements contemplated by this Rule Book.
- 2101/3** Membership or any trading privileges arising from such Membership may not in any way be transferred (other than by way of corporate restructuring with no change of beneficial ownership, subject to the prior written approval of Euronext) or encumbered by or on behalf of the Member.
- 2101/4** The eligibility criteria specified in, or pursuant to, Rule 2201/1 shall apply not only at the time of application for Membership but continuously, for as long as the Person in question is a Member.

#### 2102 MEMBERSHIP CAPACITIES

- 2102/1** Membership capacities are determined by the scope of the Member's authorisation, licence or permission from the relevant competent authority, where such authorisation, licence or permission is required, though a Member may, if he so wishes, restrict such scope in respect of his activities on one or more of the Euronext Markets.
- 2102/2** Non-executing Brokers' activities are restricted to the entry of already matched trades in the name and on behalf of existing trading members, following mandatory technical arrangements specified by Euronext.

### 2.2. REQUIREMENTS FOR EURONEXT MEMBERSHIP

#### 2201 ELIGIBILITY FOR MEMBERSHIP

- 2201/1** The Relevant Euronext Market Undertaking shall determine whether an Applicant which does not already hold Euronext Derivatives Membership or Euronext Securities Membership (as the case may be) satisfies the following criteria:
- (i) in respect of an Investment Firm or a Credit Institution, that:
    - a. it is authorised by the competent authorities of its home Member State to conduct business on the market; and
    - b. where relevant, it has given appropriate notification to the competent authority concerned that it wishes to take up its EEA Right in the jurisdiction in which the Relevant Euronext Market Undertaking is situated;
  - (ii) in respect of a Non-MIFID Firm:

- a. that it is authorised, or otherwise licensed or permitted by the Competent Authorities or other relevant regulatory authority to conduct business on the market, or can demonstrate that such authorisation, licensing or permission is not required;; and
  - a. that it is of sufficient good repute ;
  - b. that it has a sufficient level of trading activity, competence and experience; and
  - c. that it has adequate organisational arrangements
- (iii) that its staff are suitably qualified and experienced in order to implement and maintain adequate internal procedures and controls in relation to its intended business on the market;
- (iv) that, where relevant, it has entered into any agreement contemplated by this Rule Book and has met any technical requirements specified by the Relevant Euronext Market Undertaking;
- (v) that it can demonstrate fluency of its relevant personnel in English or in one of the languages of the Relevant Euronext Market Undertaking;
- (vi) that it can demonstrate that it has sufficient resources for the role(s) it intends to perform on the market; and
- (vii) any other criteria which the Relevant Euronext Market Undertaking may prescribe with regard to Membership and publish by Notice.

**2201/2** Natural persons and sole proprietorships are not eligible to become Euronext Securities Members.

**2201/3** Admission to Membership of any Euronext Market Undertaking shall not confer any right to attend or vote at meetings, or right to share in or any liability in respect of debts, of any Euronext Market Undertaking.

**2201/4** The Relevant Euronext Market Undertaking will only consider applications for membership in respect of Persons located in jurisdictions with satisfactory regulatory arrangements including those in respect of:

- (i) supervision of investment services and activity; and
- (ii) information sharing and co-operation between the supervisory authority of the jurisdiction concerned and the Competent Authorities or, where permitted by National Regulations, the Relevant Euronext Market Undertaking.

**2201/5** For the avoidance of doubt, a jurisdiction whose legal and supervisory framework has been recognised to be equivalent by the European Commission pursuant to Article 47(1) of MIFIR shall be deemed to comply with the requirements of Rule 2201/4.

## 2202 RESPONSIBLE PERSONS AND TRADERS

**2202/1** A Member must ensure that it has a sufficient number of Responsible Persons for the nature and scale of business being conducted. A Responsible Person shall be responsible for trading activity conducted on :

- (i) the Euronext Derivatives Markets and/or



- (ii) the Euronext Securities Markets under his general authority,  
and may be a trader himself and/or a trading supervisor.

**2202/2** In order to comply with this Rule 2202, a Responsible Person must, pursuant to the requirements of the Relevant Euronext Market Undertaking, be adequately trained and fully conversant with the Rules and Trading Procedures. A Relevant Euronext Market Undertaking may impose requirements (and publish such requirements by Notice) in respect of training and competence of Responsible Persons.

**2202/3** Subject to any restrictions imposed by the Relevant Euronext Market Undertaking trading may be conducted by Responsible Persons or by other individuals within the Member, at the discretion of the Member, provided all such individuals are suitable and adequately trained in accordance with the Rules. Traders who are not Responsible Persons may only submit orders under the general authority of a Responsible Person.

### 2.3. APPLICATION PROCEDURE

#### 2301 SUBMISSION OF THE APPLICATION

**2301/1** Applicants shall submit a written application to the Relevant Euronext Market Undertaking and such additional information and documents as the Relevant Euronext Market Undertaking may, in its sole judgment, consider relevant in order to review the application.

**2301/2** An existing Member wishing to act in a capacity other than that to which it is already admitted or wishing to extend its activities on another Euronext Market shall submit a written application to the Relevant Euronext Market Undertaking.

#### 2302 APPLICATION FILE

**2302/1** Applicants shall submit a written application for Membership to the Relevant Euronext Market Undertaking, using the standard form prescribed by Euronext, in English or in one of the languages of the Relevant Euronext Market Undertaking unless specifically provided otherwise.

**2302/2** The Relevant Euronext Market Undertaking may require from the applicant additional information and documents and may institute such investigation to verify information submitted by the applicant as it deems necessary. The Relevant Euronext Market Undertaking may require the applicant, or one or more representatives of the applicant, to attend for interview by the Relevant Euronext Market Undertaking.

**2302/3** Each applicant and each Member shall authorise Euronext or its duly appointed agents to carry out such on-site inspections, during normal business hours, in respect of its activities on the Euronext Markets as Euronext may deem appropriate in its sole discretion. Furthermore, each applicant and each Member shall make a commitment to provide all information or make any modifications to its information systems that may be required by Euronext, acting in good faith, as a result of such an inspection.

#### 2303 DETERMINATION OF APPLICATION

**2303/1** A Euronext Market Undertaking shall, after receipt of an application for Membership and any additional information requested by it, in its sole discretion approve or reject such application or

approve such application subject to such conditions and/or restrictions as it considers appropriate. The Relevant Euronext Market Undertaking shall notify the applicant of its decision in writing.

**2303/2** Without prejudice to Rule 2303/3 and subject to Rule 1.6A, the Relevant Euronext Market Undertaking shall keep confidential all information submitted to it by a Member or a prospective Member in connection with an application for Membership or obtained by it in the course of reviewing such application.

**2303/3** The Relevant Euronext Market Undertaking shall inform Competent Authorities, the other Euronext Market Undertakings and, as applicable, the Clearing Organisation(s) of the admission of new Members and the date on which such new Members are approved and/or start trading.

**2303/4** If a Relevant Euronext Market Undertaking decides to refuse an application it shall promptly notify the applicant in writing. Such applicant may, by notice in writing within seven days of receiving notice of such decision, require the Euronext Market Undertaking to give additional explanations for its decision within seven days of receiving such notice from the Applicant.

### 2.4. MEMBERS' CONTINUING OBLIGATIONS

**2401** A Member shall on a continuing basis:

- (i) abide by the Rules, as from time to time in force, and take all appropriate actions prescribed by the Rules;
- (ii) fulfil his obligations under the Admission Agreement and, where relevant, any other agreement(s) to which the Relevant Euronext Market Undertaking and the Member are party;
- (iii) pay the fees and charges prescribed by Euronext according to the conditions established by Euronext and communicated to Members;
- (iv) authorise Euronext or its duly appointed agents to carry out on-site investigations, during normal business hours, in any place of business of the Member or its Affiliate, and submit as soon as possible any information or document which Euronext or such agents consider appropriate for purposes of such investigations;
- (v) comply with the technical requirements of the relevant Euronext Trading Platform(s) and of any other information technology system or network operated by Euronext, as set out in the relevant agreement(s);
- (vi) notify the Relevant Euronext Market Undertaking as soon as possible and in writing of any material changes to the information submitted during the course of the Membership application, including in particular (without limitation) those in respect of the Member's authorisation, license or permission to conduct Investment Services;
- (vii) give prior written notice to the Relevant Euronext Market Undertaking of any facts or circumstances which may affect the legal form or organisation of the Member or its trading activities on the Euronext Markets, including (without limitation) any consolidation, reorganisation, merger, change of name, change of control or similar event to which the Member is or will become a party and provide such additional information as the Relevant Euronext Market Undertaking may reasonably require;
- (viii) notify immediately the Relevant Euronext Market Undertaking of the commencement or

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This draft reflects the Rulebook that is planned to apply upon the Phase 1 of BITA migration to Optiq. It may evolve before the migration time and remains subject to regulatory approval

anticipation of any bankruptcy, insolvency, winding up, administration or equivalent event (including amicable settlement) in any relevant jurisdiction the Member is subject to or to which the Member is a party;

- (ix) provide the Relevant Euronext Market Undertaking with such contact details of representatives of the Member as may be determined by the Relevant Euronext Market Undertaking and notify the Relevant Euronext Market Undertaking of any changes to such details (including changes to the address of the Member) in a timely manner;
- (x) ensure that any description of his Membership or the services that he is able to provide, in the form and context in which it appears or is used, does not misrepresent the scope of the capacity which he enjoys under the Rules in relation to the Relevant Euronext Market Undertaking;
- (xi) notify immediately the Relevant Euronext Market Undertaking of the suspension or termination of a Clearing Agreement to which it is a party;
- (xii) notify immediately the Relevant Euronext Market Undertaking of its failure to comply with Rule 2501/2;
- (xiii) implement and maintain adequate internal procedures and controls in relation to its business on the market;
- (xiv) Provide Euronext with all data required pursuant to Union Law including, without limitation, requirements imposed by:
  - a. delegated regulation (EU) 2017/580;
  - b. delegated regulation (EU) 2017/590;
  - c. National Regulations implementing Article 57 of MIFID II.
- (xv) and comply with all associated technical requirements, such data and technical requirements being specified by Notice.
- (xvi) certify that the algorithms they deploy and use as algorithmic trading on Euronext Trading Platforms have been tested to avoid contributing to or creating disorderly market conditions.

### 2402 Non-MIFID Members

In relation to reporting of transactions to Competent Authorities, each non-MIFID Member must ensure at all times that it has provided Euronext with all the data required according to the Commission Delegated Regulation (590/2017/EU) under conditions and manner specified by Euronext in one or more Notices.

## 2.5. POST TRADE ARRANGEMENTS

### 2501 GENERAL CLEARING ARRANGEMENTS

**2501A/1** Each Euronext Market Undertaking shall appoint one or more Clearing Organization(s).

### 2501A/2 [Reserved]

**2501A/3** Pursuant to Rule 2501A/1, Transactions shall be cleared by LCH SA, except where either (i) the Euronext Market Undertaking has appointed a different Clearing Organisation to clear a particular category of Admitted Financial Instruments or (ii) the Euronext Market Undertaking has provided arrangements whereby Members can indicate their preferred Clearing Organisation. The Clearing Organisation(s) applicable to each category of Admitted Financial Instrument shall be specified by the Euronext Market Undertaking and published in a Notice.

**2501B/1** Any Member wishing to trade on the Euronext Markets other than as a customer of another Member must be party to a Clearing Agreement in respect of those Financial Instruments which it is authorised to trade but which it is not authorised to clear. For the avoidance of doubt, such Clearing Agreement must, inter alia, provide for clearing by LCH SA, in those circumstances where Rule 2501A/3(i) does not apply.

**2501B/2** Where a Member enters into a Transaction on the Euronext Derivatives Market for its own account, or where any Member enters into a Transaction on the Euronext Derivatives Market on behalf of a client, the Member must ensure that it (where it is not a Clearing Member) or its client, as the case may be, has appropriate, legally effective contractual arrangements in place pursuant to which it or the client, as the case may be, becomes the counterparty to a cleared derivative transaction relating to such Transaction on the Euronext Derivatives Market pursuant to direct or indirect clearing arrangements with a Clearing Member.

**2501/2** Each non-clearing Member must ensure at all times that it has lodged with its Clearing Member adequate collateral in relation to its margin liabilities.

**2501/3** A Clearing Member must notify Euronext immediately if any Member for whom it clears fails to comply with Rule 2501/2.

## 2502 CLEARING AGREEMENTS

**2502/1** In respect of Financial Instruments subject to clearing by a Clearing Organisation, any Member wishing to trade other than as a customer of another Member shall enter into a Clearing Agreement which complies with any requirements imposed by or pursuant to the relevant Clearing Rule Book from time to time in force in respect of those Financial Instruments which it is not authorised to clear.

**2502/2** In respect of Financial Instruments subject to clearing by a Clearing Organisation, in order to trade on a Euronext Market, each Member which is not a Clearing Member in respect of the Financial Instrument he is authorised to trade must have filed with the Relevant Euronext Market Undertaking (or have filed on his behalf) an unrevoked and valid Clearing Mandate, which may either be a copy of the Clearing Agreement entered into by such Member or written confirmation of the existence of such Clearing Agreement.

**2502/3** For the avoidance of doubt, Non-executing Brokers are not subject to the provisions of this Rule 2502.

### 2503 SETTLEMENT ARRANGEMENTS

**2503/1** Any Member shall have a current and valid membership in a central securities depository where the Financial Instruments traded on the relevant Euronext Market are settled or an agreement with a settlement agent with such membership providing for settlement of the Member's trades on the relevant Euronext Market.

### 2.6. EXTENSION OF MEMBERSHIP

**2601** A Firm which is an Euronext Member and who wishes to extend its Membership to other Euronext Markets should submit a written application to the Relevant Euronext Market Undertaking to that effect. The Relevant Euronext Market Undertaking to which the Euronext Member is applying may perform checks to ensure that the Member satisfies its additional Membership requirements (if any).

### 2.7. REGISTER OF MEMBERS

**2701** The Euronext Market Undertakings shall maintain a register of Members, including at least the contact details and capacities of Members.

**2702** A Member shall be deemed to have elected domicile at the address stated by him in the Admission Agreement or at the last address subsequently specifically notified by him in writing to the Relevant Euronext Market Undertaking, as the case may be.

### 2.8. RESIGNATION, SUSPENSION AND TERMINATION

#### 2801 RESIGNATION

**2801/1** A Member may cease to be a member of one or more Euronext Markets by giving the Relevant Euronext Market Undertaking written notice of his wish to resign from Membership (a "resignation notice").

**2801/2** Subject to National Regulations, a Relevant Euronext Market Undertaking may, in its absolute discretion, postpone the effective date if it considers it necessary for the protection of clients, or otherwise in the interests of the market. If the Relevant Euronext Market Undertaking does so, it may waive the Member's liability for some or all the fees and charges arising in respect of the period following the date on which his resignation notice would otherwise have taken effect.

**2801/3** Upon a Member's notification of its resignation pursuant to Rule 2801/1, all amounts owed by such Member to the Relevant Euronext Market Undertaking shall become immediately due and payable. The Member shall forthwith return to the Relevant Euronext Market Undertaking on request, any software, equipment and documentation which may have been made available by Euronext.

**2801/4** A Member's resignation shall become effective only as of the date confirmed in writing by the Relevant Euronext Market Undertaking to the Member.

### 2802 SUSPENSION AND TERMINATION

**2802/1** Notwithstanding the rules of Chapter 9, as applicable, a Relevant Euronext Market Undertaking shall suspend (in whole or in part, for a fixed term) a Member's trading privileges on, and may terminate his Membership of, that Euronext Market in the event of:

- (i) a Member failing to perform, or delaying performing, any of such Member's obligations under the Admission Agreement, any other agreement to which both the Relevant Euronext Market Undertaking and the Member are party for which such failure would constitute a violation of the Member's obligations under the Rules; or
- (ii) in the case of a Euronext Derivatives Market, the death of the Member, if a natural person. However, personal representatives of the deceased may retain the Membership for a period of up to six months following the date of death in order to complete arrangements for the orderly closing out of open positions of the Member; or
- (iii) the dissolution of the Member, if a legal entity or partnership; or
- (iv) a Member suspending payment or calling a meeting of his creditors; or
- (v) a Member which is either a natural person or a partnership, having a receiving order or a bankruptcy order made against him or all of the partners; or
- (vi) a Member which is a legal person having a receiver, an administrative receiver or an administrator appointed or a petition for winding up presented or a resolution passed for winding-up (except a voluntary winding-up for the purposes of an amalgamation or reconstruction which has received prior approval of the Relevant Euronext Market Undertaking) or proceedings have otherwise commenced for its dissolution; or
- (vii) insolvency or other similar event occurring in respect of a Member; or
- (viii) the Member's application for Membership containing material errors or omissions or being misleading in a material respect; or
- (ix) the revocation or expiration without renewal of the Member's Home State authorisation, licence or permission to engage in the relevant Investment Services resulting in the Member failing to satisfy the Membership requirements under Rule 2201; or
- (x) a Member failing to comply with Rule 2.5; or
- (xi) the suspension or termination of a Member's capacity as a Clearing Member or termination of its Clearing Agreement, as the case may be.

**2802/2** Any termination pursuant to Rule 2802/1 shall be decided by the Relevant Euronext Market Undertaking, taking into account the degree of seriousness or permanence of the event in question. The decision of suspension or termination shall be notified in writing to the Member.

**2802/3** Notwithstanding the rules of Chapter 9, as applicable, a Relevant Euronext Market Undertaking reserves the right to terminate the Membership of any Member in the event of the Member:

- (xii) not having commenced trading within three months following admission as a Member; or



(xiii) having ceased to carry out regularly brokerage and/or dealing in Financial Instruments for a period of six consecutive months.

**2802/4** A Member whose trading privileges are suspended or whose Membership is terminated may apply to the Relevant Euronext Market Undertaking at any time to have the suspension or termination revoked. On making such an application the Member shall provide the Relevant Euronext Market Undertaking with any information the Relevant Euronext Market Undertaking may require. The Relevant Euronext Market Undertaking may reject such application or may reinstate the Member or restore his trading privileges either unconditionally or subject to any conditions the Relevant Euronext Market Undertaking may think appropriate. Such Member may, by notice in writing within seven days of receiving notice of such decision, require the Relevant Euronext Market Undertaking to give additional explanations for its decision within seven days of receiving such notice from the Member.

**2802/5** A Member whose trading privileges are in whole or in part suspended for any period:

(xiv) shall be prohibited from trading as a Member during the period of suspension (save as may be allowed by the Rules for purposes of closing out his and his Clients' open positions); but

(xv) shall remain liable in respect of all his obligations of Membership including the payment of any fees and charges payable under the Rules.

**2802/6** Without prejudice to the above, a Person whose Membership has been terminated shall remain subject to the Rules and to the jurisdiction of the Relevant Euronext Market Undertaking in respect of acts and omissions while he was a Member for a period of twelve months from the date at which the termination of Membership became effective. Furthermore, a Person whose Membership is terminated shall forfeit all rights to use any trading privileges granted to him, without being entitled to any refund of fees paid in respect of the same.

**2802/7** Upon a Member's notification of its suspension or termination pursuant to Rule 2802/2, all amounts owed by such Member to the Relevant Euronext Market Undertaking shall become immediately due and payable. All of such Member's obligations resulting from that Membership shall be discharged to the full satisfaction of the Relevant Euronext Market Undertaking. The Member shall forthwith return to the Relevant Euronext Market Undertaking on request, any software, equipment and documentation which may have been made available by Euronext.

### 2803 NOTIFICATION OF RESIGNATION, SUSPENSION AND TERMINATION OF MEMBERSHIP

Euronext shall promptly inform the Competent Authorities, and as applicable, the Clearing Organisation(s) of the resignation, termination or suspension, as well as of the termination of such suspension, of the Membership of any Person.

# **CHAPTER 3:**

# **MARKET ACCESS ARRANGEMENTS**

Draft pending release



### 3.1. CROSS MEMBERSHIP

- 3101/1** Individually or jointly, the Euronext Market Undertakings may enter into an agreement with another exchange operating a Regulated Market or an organised market recognised by the Competent Authorities in order to define, on a reciprocal basis, specific conditions for the admission of members of the said markets. For the purposes of this Rule 3.1, such Regulated Market or organised market shall be described as a “Partner Market”.
- 3101/2** A Person accessing a Euronext Market through a cross-membership agreement of the sort contemplated by Rule 3101/1 is referred to as a “Cross-Member”. Except as otherwise provided in the relevant agreement, a Cross-Member cannot benefit from other cross-membership agreements executed by Euronext.
- 3101/3** A Cross-Member is bound by the Rules of the Relevant Euronext Market Undertaking as amended by the provisions of the cross-membership agreement. Conversely, a Member shall comply with the rules of the Partner Markets where it trades.
- 3101/4** The Relevant Euronext Market Undertaking shall inform the relevant exchange with which that Euronext Market has concluded a cross-membership agreement of the admission of a new Cross-Member and of the resignation, termination or suspension of Membership of a Cross-Member.
- 3101/5** Following the termination of a cross-membership agreement, the Cross-Member may elect to remain a Member, in which case it will remain subject to the provisions contained in the Rules, but the specific provisions previously set forth in the terminated agreement will no longer apply.

### 3.2. ELECTRONIC ACCESS FACILITIES FOR CLIENTS

- 3201/1** Any access granted by a Member which is an Investment Firm or Credit Institution to his Clients by way of an Automated Order Routing System or through Direct Electronic Access (including Sponsored Access) must be adequately controlled in accordance with the provisions of Chapter 8. In respect of access to the Euronext Markets, the Member must have in place effective systems and controls which ensure:
- a) that his Clients cannot exceed pre-set trading and credit thresholds set by the Member;
  - b) that trading by those Clients is properly monitored; and
  - c) that appropriate risk controls are in place to prevent trading that could adversely affect the Member’s compliance with the Euronext Rule Book, create or contribute to disorderly conditions on a Euronext Market or facilitate conduct that may involve market abuse or attempts at market abuse;
  - d) that a policy of the use of kill functionality is defined. The Member shall ensure that he can delete orders entered via Automated Order Routing System or through Direct Electronic Access or, if necessary, restrict the possibility to enter orders via such systems with or without the prior consent of the Person who entered the order.
- 3201/2** All business undertaken by a Client via an Automated Order Routing System or via Direct Electronic Access (including Sponsored Access) on an Euronext Market will be done in the name of the

Member and the Member retains full responsibility for the conduct of all such business.

**3201/3** A Member providing Direct Electronic Access to its Clients must comply with Chapter III of the Delegated Regulation (EU) 2017/589 specifying the organisational requirements of investment firms engaged in algorithmic trading. The Member has to implement procedures enabling it to ensure that the Persons who may be granted that access comply with the requirements of Article 22 of Regulation 2017/589/EU. If the Member becomes aware that a Client connected to the market through Direct Electronic Access does not longer meet the above requirements, it shall suspend the access and promptly notify the Relevant Euronext Market Undertaking.

**3201/4** A Member must notify the Relevant Euronext Market Undertaking as soon as possible and in writing of any material changes to its arrangements relating to the provision of Direct Electronic Access to its Clients, specifying whether it takes place through the technical structure of the market intermediary through a DMA or directly through a Sponsored Access.

**3201/5** The Relevant Euronext Market Undertaking may restrict access via Automated Order Routing System or through Direct Electronic Access, including termination of access for Clients of the Member and, where present, their sub-delegates, directly connected to the market through Sponsored Access or segregation of specific trading activities.

### 3.3. SPONSORED ACCESS

**3301/1** The Sponsoring Members are required to complete the participation documentation using the forms and functions available via a dedicated portal with the following data:

- (i) request for a specific access code for each Sponsored Participant and, where present, their sub-delegates;
- (ii) the declaration by the Sponsoring Member confirming that it has verified the suitability of the Sponsored Participants and, where present, their sub-delegates in accordance with Regulation 2017/589/EU and certifying that those parties comply with the participation requirements for market intermediaries;
- (iii) the request of activation of appropriate features necessary to suspend the access of the Sponsored Participants and, where present, the their sub-delegates, to proceed with the massive cancellation of unexecuted orders entered by the Sponsored Participant, and to monitor in real time the operation in the market of the Sponsored Participants and, where present, their sub-delegates;
- (iv) for each access code given to the Sponsored Participants and, where present, their sub-delegates, a specific list of the trading staff authorised to request the deletion of the orders entered, referring to the access code given to each of those parties. This list must comply with the requirements of Rule 2202;
- (v) the indication of the name of the contact person for the information technology function for the operations of the Sponsored Participant, available during market hours, if different from the contact person for the information technology function of the Sponsoring Member;
- (vi) a declaration certifying that they have access to the information relating to the trading activity of the sub-delegates in order to enable the Relevant Euronext Market Undertaking to provide any information requested by the competent authority.

- 3301/2** The conformance certification must be completed for each direct connection of Sponsored Participants.
- 3301/3** Following the procedures indicated in Notices, Sponsoring Members must use a specific access code to segregate the activities carried out by Sponsored Participants directly connected to the market through Sponsored Access and, where present, their sub-delegates. This code is assigned by the Relevant Euronext Market Undertaking following the approval of the Sponsored Access application by the Sponsoring Member for its Sponsored Participant.
- 3301/4** In the event of Sponsored Access subject of sub-delegation, the Sponsoring Member is required to segregate the different order flows of the recipients of the sub-delegation.
- 3301/5** The Sponsoring Member does not allow the Sponsored Participant and, where present, the Sponsored Participant's sub-delegates to set or modify the parameters that apply to the checks on orders entered through the Sponsored Access mode.
- 3301/6** The Sponsoring Member provides specific training to the persons included in the list of persons authorized to request the cancellation of the orders submitted, referable to the access code dedicated to the Sponsored Participant or the dedicated access code to the Sponsored Participant's sub-delegates, where present.
- 3301/7** The Sponsoring Member must be able, in any case, to manage the suspension of the Sponsored Participant's access to the market and the massive cancellation of orders entered by the Sponsored Participant, and, where present, by the Sponsored Participant sub-delegates in the event of suspension or disconnection of the Client, loss of the monitoring of the market operation of the Sponsored Participant and the Sponsored Participant's sub-delegates, where present or disconnection from the market of the intermediary.

### 3.4. ELECTRONIC ACCESS FACILITIES FOR AFFILIATES

- 3401/1** Subject to Rule 3.5, the Relevant Euronext Market Undertaking may consider an application from a Member who wishes to obtain direct access to an Euronext Market for its Affiliate(s).
- 3401/2** For the purposes of this Rule, "Affiliate" means a Person who:
- (i) owns 95 per cent or more of the Member; or
  - (ii) is owned 95 per cent or more by the Member; or
  - (iii) is owned 95 per cent or more by a third party who also owns 95 per cent or more of the Member.

All successful applicants for affiliate access will be notified in writing by the Relevant Euronext Market Undertaking.

- 3401/3** All business undertaken by an Affiliate on an Euronext Market will be done in the name of the Member and the Member retains full responsibility for the conduct of all such business.

### 3.5. REMOTE ACCESS

**3501/1** The Relevant Euronext Market Undertaking will only consider applications in respect of Sponsored Participants or Affiliates located in jurisdictions with satisfactory regulatory arrangements including those in respect of:

- (i) supervision of investment activity; and
- (ii) information sharing and co-operation between the supervisory authority of the jurisdiction concerned and the Competent Authorities or, where permitted by National Regulations, the Relevant Euronext Market Undertaking.

**3501/2** For the avoidance of doubt, a jurisdiction whose legal and supervisory framework has been recognised to be an effective equivalent system for the recognition of investment firms by the European Commission pursuant to Article 47(1) of MIFIR shall be deemed to comply with the requirements of Rule 3501/1.

# **CHAPTER 4:**

# **TRADING RULES FOR SECURITIES**

Draft pending review

### 4.1. GENERAL

#### 4101 SCOPE OF CHAPTER 4

This Chapter 4 sets forth rules governing trading on the Euronext Securities Markets.

#### 4102 TRADING DAYS

The Trading Days in any given calendar year shall be announced by the Euronext Market Undertakings in a Notice published no later than the last Trading Day of the preceding year.

#### 4103 CURRENCY OF TRADING

Orders for the purchase or sale of Securities shall be expressed in the currency determined by the Euronext Market Undertakings for the relevant Securities.

#### 4104 TRADING SYMBOLS

The Euronext Market Undertakings shall define trading symbols for the purpose of identifying Securities in Euronext's trading systems. It may in its sole discretion modify or reassign such trading symbols at any time. The Issuers of the relevant Securities shall have no proprietary rights to such trading symbols.

#### 4105 SYSTEM RULES AND REQUIREMENTS

When trading on a Euronext Securities Market, Euronext Securities Members shall comply with the operational, procedural and technical requirements of Euronext's systems and networks, as specified by Euronext.

#### 4106 MEMBER RESPONSIBILITY

In respect of business conducted on Euronext Securities Markets or business related thereto, a Euronext Securities Member shall be responsible for the acts and conduct of all Responsible Persons registered in its name and all individuals trading under the general authority of such Responsible Persons as if the acts and conduct of each of those persons were the acts and conduct of the Euronext Securities Member. In particular, a Euronext Securities Member shall be held responsible for a violation of a relevant obligation committed by any such person and sanctions may be imposed under the Rules.

#### 4107 MARKET MAKERS / LIQUIDITY PROVIDERS

##### 4107/1 Obligation for investment firms to enter into a market making agreement

When the conditions set forth by the Commission Delegated Regulation (EU) 2017/578 article 1 are met by a Member, this Member shall enter in a Market Making Agreement with the Relevant Euronext Market undertaking.

##### 4107/2 Market Making Schemes

When applicable according to Commission Delegated Regulation (EU) 2017/578 Euronext Market undertakings have in place Market Making Schemes.

##### 4107/3 When the Relevant Euronext Market Undertaking considers it to be in the interest of the market

that liquidity in a particular Admitted Financial Instrument be improved, it may implement Programmes whereby one or more Members (or, where permitted by the relevant Book II, Clients acting purely in a proprietary capacity) not pursuing any market making activity as defined in Articles 17(4) and 48(2) of MIFID, assume the role of Liquidity Provider for such instrument.

**4107/4** The Relevant Euronext Market Undertaking shall publish and regularly update the list of Market Makers and relevant information relating to their activities in accordance with Article 7.1 of the Delegated Regulation (EU)2017/578, and regularly update the List of Liquidity Providers and information relevant to their Liquidity Provision Programme.

### 4.2. ORDERS

#### 4201 SCOPE OF RULE 4.2

This Rule 4.2 only concerns orders for the purchase or sale of Securities submitted by Euronext Securities Members to the Central Order Book of a Euronext Securities Market and shall not stand in the way of specific arrangements regarding order specifications as between Euronext Securities Members and their Clients.

A Euronext Securities Member may decline to execute orders that are subject to conditions precedent or subsequent or other validity constraints, which are not contemplated by this Chapter 4.

#### 4202 GENERAL TERMS AND CONDITIONS

##### 4202/1 Minimum indications

Any order submitted to the Central Order Book shall at least indicate if applicable the following elements:

- (i) the Security to which the order relates or the trading symbol assigned by the Euronext Market Undertakings to such Security;
- (ii) whether the order is for a purchase or a sale;
- (iii) the order quantity;
- (iv) the price conditions;
- (v) whether the order is submitted:
  - a. for the Euronext Securities Member's own account;
  - b. for the account of an Affiliate granted direct access pursuant to Rule 3.4;
  - c. for the account of a third party;
  - d. pursuant to a Market Making Agreement or Market Making Scheme or Liquidity Provision Programme;

- e. as a Retail Liquidity Firm Quote;
- f. as a Retail Order;
- (vi) client identification short code;
- (vii) investment decision within Firm identification short code;
- (viii) Execution within Firm identification short code.

When placing an order, a Euronext Securities Member may also indicate special conditions as per Rule 4204.

For each order Members have to provide Euronext, before the end of the trading day, with all the data requested in the Annex of the Commission Delegated Regulation (EU) 2017/580.

### 4202/2 Order size

All order sizes can be traded, subject to particular specifications in respect of certain types of Securities as set forth in one or more Notices.

### 4202/3 Certain events

Unexecuted orders in respect of a particular Security shall be cancelled in the Central Order Book upon the occurrence or the announcement of certain events concerning the relevant Issuer which are likely to substantially affect the price of such Security, as set forth in one or more Notices.

Euronext Securities Members must agree with their Clients whether events of the kind referred to in the preceding paragraph require express renewal of orders or whether Euronext Securities Members are entitled to re-enter orders after having performed the necessary price or quantity adjustments, where appropriate.

### 4202/4 Modification and cancellation.

Any order entered into the Central Order Book may be modified or cancelled prior to its execution. Any increase in the order quantity or change in the limit price shall cause the forfeiture of time priority.

### 4202/5 Indication of Interest

For certain warrants and certificates where the activity of a Liquidity Provider is, in the sole opinion of Euronext, considered as mandatory to maintain an efficient market, the outstanding orders of such Liquidity Provider shall have first the status of indicative quotes (hereafter in this context “the indications of interest”) during continuous trading phase. However, the incoming Liquidity Provider orders that are immediately executable against the rest of the central order book shall be executed as firm orders and their balance, if any, shall be treated as indications of interest.

Trades shall take place inside the bid/ask spread resulting of such indications of interest as the case may be, boundaries included. Accordingly, trading shall be reserved when the Liquidity Provider has not posted indications of interest in compliance with its presence obligations, it being understood that such obligation may consist of bid-only or offer-only posting in specific circumstances.



To allow for such market organization, market-to-limit orders shall not be allowed and stop orders shall run on a “stop-on-quote” basis, implying that they are triggered by reference to the LP indication of interest on the relevant side.

Euronext will specify to which warrants and certificates such provision applies.

### 4203 ORDER TYPES

#### 4203/1 Market orders

An order to buy or to sell a stated amount of a security that is to be executed at the best price(s) obtainable when the order reaches the Central Order Book.

#### 4203/2 Limit orders

Limit orders are bid or ask orders that can only be executed at their specified price limit or at a better price. The price limit must be consistent with the tick specified by Notice.

#### 4203/3 Stop orders

Stop orders are orders which are triggered when a specified price limit is reached in trading (implying that the market must trade at or above the stop limit for a buy order and at or below the stop limit for a sell order). In the case of a stop loss order, a pure market order shall then automatically be generated and added to the Central Order Book. In the case of a stop limit order, a limit order shall automatically be generated and added to the Central Order Book.

#### 4203/4 Pegged Order

A limit order to buy or sell a stated amount of a security at a display price set to track the current bid or ask of the Euronext central Order book or of another market, identically or with an automatic offset. The associated price of each Pegged Order that is updated will be assigned a new entry time with priority in accordance with Euronext Rules.

Pegged orders can have a limit price which if breached will cause the pegging to temporarily stop as long as the current bid or ask is more aggressive than this price.

Peg parameters can be assigned as follows:

- (i) Peg primary orders: the price limit is constantly updated to adjust to the current bid, for a buy order, or the current ask, for a sell order, displayed in the Euronext Central Order Book or of another market and an automatic offset can be assigned to the aforementioned current bid or ask;
- (ii) Peg market orders: the price limit is constantly updated to adjust with a mandatory offset to the current ask, for a buy order, or to the current bid, for a sell order, displayed in the Euronext Central Order Book or of another market.

Peg primary and Peg market conditions can be assigned only to Large-in-scale orders with the meaning of Rule 4204/3.

#### 4203/5 Mid-Point Order

A Large-in-scale order, as defined in Rule 4204/3, to buy or sell a stated amount of a security at a the mid-point of the current bid or ask of the Euronext central Order book or of another market.

Mid-Point orders can have a limit price which if breached will cause the mid-point price assignment to temporarily stop if inconsistent with such limit price.

### 4204 ORDER PARAMETERS

#### 4204/1 Validity

Orders entered into the Central Order Book may be valid for the Trading Day, until a specified date, or until cancelled, subject to a maximum duration of 365 days. Absent specification of its duration, an order shall be deemed to be valid for the Trading Day.

For a specified trading session as of its entry, an order may be valid until a specified time, or for a specified length of time or for the next opening auction or closing auction.

#### 4204/2 Execution parameters

**4204/2/A** Certain types of orders may be made subject to the following execution conditions in accordance with the matrix of order types and execution conditions set forth in one or more Notices:

Orders rejected upon entry if conditions are not met immediately

- (i) "Immediate Or Cancelled", are orders which are executed to the fullest extent possible either immediately upon entry with any remaining unexecuted portion being cancelled;
- (ii) "minimum-quantity orders" are orders which must be executed immediately to the extent of a specified minimum quantity, with any remaining unexecuted portion being added to the Central Order Book; provided that such orders shall be cancelled failing immediate execution of the specified minimum quantity;

Orders pending execution until conditions are met

- (i) "minimum-acceptable-quantity" means, in respect of Large-in-scale orders exempted from pre-trade transparency, that orders are executed only if a specified minimum quantity is available in aggregate over any opposite orders for matching. Any balance resulting from the first execution remains valid for execution unconditionally;
- (ii) "minimum-execution size " means, in respect of Large-in-scale orders exempted from pre-trade transparency, that orders are executed only if at least one opposite order with the specified minimum quantity is available for matching. Any balance resulting from the first execution remains valid for execution unconditionally ;

it being understood that conditions above shall be allowed only in respect of continuous trading.

#### 4204/2/B Market Orders

Pure Market Orders: any remaining unexecuted portion is being added to the Central Order Book for execution as soon as possible at the next prices.

Market-to-limit orders: are bid or ask orders which, in continuous trading are executed immediately at the best opposite price limit and, in auctions are executed at the auction price, with any

remaining unexecuted portion being automatically transformed into a limit order at the last executed price and added to the Central Order Book.

### 4204/3 Transparency parameters

- (i) "Reserve orders", also referred to as "iceberg orders", are orders, that may not be less than a size specified, in accordance with the article 8 of Delegated Regulation (EU) 2017/587 and article 4 of Delegated Regulation (EU) 2017/583. Iceberg orders are orders of which only specified tranches are successively entered in the Central Order Book, and disclosed to the market, with the current time stamp following full execution of the preceding tranche.
- (ii) "Large-in-scale orders" are orders which are not displayed in the Central Order Book provided they have been entered with amounts meeting the thresholds set forth by EU delegated regulation 2017/587. "Large-in-scale" pre-trade transparency exemption cannot be assigned to a Market Order.

### 4205 RETAIL TRADING FACILITY

**4205/1** A Retail Member Organisation may not make any change to the terms of the order set by the client with respect to price, size or side of market either manually or through the use of trading algorithm or any other computerised methodology. This rule is without prejudice to the implementation of pre- and post-trade risk management controls pursuant to Rule 8106/3.

## 4.3. TRADING CYCLES IN THE CENTRAL ORDER BOOK

### 4301 OVERVIEW

Securities shall be traded either through continuous matching of orders at opposite sides of the Central Order Book or through call auction procedures following a period in which orders have been accumulated without execution.

The allocation of Equity Securities between continuous and auction mode trading shall be determined by the Relevant Euronext Market Undertaking on the basis of objective criteria including (without limitation) historical and expected trading volumes, the inclusion in a Euronext or other internationally recognised index and the presence of Liquidity Providers and Market Makers.

### 4302 CONTINUOUS TRADING

#### 4302/1 Pre-opening phase

An opening auction shall be held at the beginning of each Trading Day prior to the commencement of continuous trading, in the manner specified in one or more Notices.

#### 4302/2 Main trading session

Upon completion of the opening auction, trading shall take place on a continuous basis, with each incoming order being checked immediately for possible execution against orders on the opposite side of the Central Order Book and any remaining unexecuted portion of such order being added to the Central Order Book (subject to different execution conditions permitted by Rule 4204).

### 4302/3 Closing phase

Except for certain types of Securities designated by the Relevant Euronext Market Undertaking, the final price shall be determined through a closing auction in the manner specified in one or more Notices.

### 4302/4 Trading-at-last

Except for certain types of Securities designated by the Relevant Euronext Market Undertaking, a short period shall be provided at the close of a Trading Day during which orders can be entered for execution at the last traded price.

## 4303 AUCTIONS

### 4303/1 Call phase

Each auction shall begin with a call phase in which orders are automatically recorded without giving rise to Transactions. During such call phase, Euronext Securities Members may enter new orders as well as modify or cancel existing orders. An indicative price, representing the price which the system matcher would determine on the basis of the given Central Order Book situation, shall be displayed and updated continuously as the Central Order Book situation evolves.

### 4303/2 Price determination phase

Following completion of the call phase, the system shall seek to determine a price so as to produce the maximum executable volume as per Rule 4401/3. During such price determination phase, no new orders may be entered and existing orders may not be modified or cancelled.

### 4303/3 Trading-at-last

For Securities designated by the Relevant Euronext Market Undertaking, a period may be provided following the fixing during which orders can be entered for execution at the auction price.

## 4304 POST-TRADING ORDER BOOK MANAGEMENT

During a period after the close of trading defined by Notice, Euronext Securities Members can access the Central Order Book in order to enter new orders as well as modify or cancel existing orders for the next Trading Day.

## 4305 OUT-OF-HOURS TRADING

### 4305/1 Price range for Shares and other Securities subject to EU delegated regulation 2017/587

Without prejudice to the rules applicable to Large In Scale Trades, Transactions made outside the trading sessions on Securities subject to EU delegated regulation 2017/587 shall be effected at the last traded price for liquid Securities and at a price within a price range of 1% around the last traded price for other Securities (respectively 5% for ETFs).

### 4.4. MARKET MECHANISMS

#### 4401 ORDER MATCHING AND EXECUTION IN THE CENTRAL ORDER BOOK

##### 4401/1 Execution priority principle

- (i) Orders subject to pre-trade transparency
  - a. Orders in the Central Order Book shall be executed according to strict price priority. Orders at the same price are ranked and executed according to strict time priority, with the following exception: during the continuous trading phase, orders at the best limit submitted by a Member who is participating in the Internal Matching Facility will be executed against such Member's incoming orders in the Central Order Book.
  - b. Retail Liquidity Firm Quotes can be matched only with Retail Orders, whereas Retail Orders can match with any other order in the Central Order Book. Retail Liquidity Firm Quotes shall not be valid for matching if they cross the opposite best limit of the Central Order Book.
- (ii) Orders exempted from pre-trade transparency
  - a. Interaction possibilities for Large-in-Scale orders  
Upon request of the Member at its origin, a Large-in-Scale order may interact with the transparent orders of the Central Order Book as well as with other Large-in-Scale Orders. Absent such request, Large in Scale Orders shall only interact between each other. Upon request of the Member at its origin, an incoming transparent order can aggress upon its entry a Large-in-scale order.  
  
When there is interaction between transparent and non-transparent orders, on an identical price limit, transparent orders shall take precedence on any competing order exempted from pre-trade transparency and such orders exempted from pre-trade transparency shall then be executed according to price/time priority.
  - b. Interaction possibilities for Mid-Point Orders  
Mid-Point Orders shall only interact between each other and are executed according to size/time priority.

##### 4401/2 Continuous trading

During continuous trading, each incoming order shall be checked immediately for possible execution against orders on the opposite side of the Central Order Book. Orders in the Central Order Book shall be executed according to the execution priority principle. The traded price shall be determined by the limit price of orders sitting on the book.

For certain warrants and certificates where, for the purposes of this Rule 4401/2, the activity of a Liquidity Provider is, in the sole opinion of Euronext, considered as mandatory to maintain an efficient market.

Either

- following the entering of an opposite order that could match the initial indication of interest; or

- further to an attempt by two other orders to match inside the indication of interest spread,

the Liquidity Provider shall receive first a “request for execution” consisting of an alert that does not mention the side, price nor the quantity of the incoming order. After a refreshment period providing the Liquidity Provider with an opportunity to update its indications of interest where appropriate, Liquidity Provider indications of interest shall be turned into orders executable, on an immediate basis only, against other orders if:

- the Liquidity Provider has not refreshed its indications of interest in a way that would make the orders not executable in the first case;
- the Liquidity Provider has shifted its indications of interest and improved the relevant side thereof so as to make it executable in the second instance.

In both circumstances, the immediately active orders of the Liquidity Provider shall match according to the standard price/time priority, time priority of the Liquidity Provider active order being given by the time of the associated indication of interest provided the latter has not been altered in a way that downgrades its priority. Following execution, the balance of such orders shall return to the indication of interest status.

Euronext shall be empowered to suppress the refresh process if it determines that it results in a poor execution quality for a particular instrument, as measured solely by Euronext.

Euronext will specify to which warrants and certificates such provision applies.

### 4401/3 Auctions

The auction price shall be determined on the basis of the situation of the Central Order Book at the closing of the call phase and shall be the price which produces the highest executable order volume.

Market orders shall have priority over limit orders. If there are several limits with equally high executable volume, the price shall be determined by reference to the price of the last automated trade (adjusted to take account of any corporate event that may have occurred in the interval) or, if such price is not available, another reference price determined in accordance with one or more Notices on the subject, until a single auction price is achieved.

### 4401/4 Financial Instruments admitted to trading on more than one Euronext Securities Market

Unless specified otherwise according to Rule 4404/5, a Transaction will be executed on the Market of Reference.

The prices and volumes of the Market of Reference are the ones to be taken into account for publication of the Euronext lists and of all kind of reference prices (including opening, closing, highest, lowest prices as well as index calculations) on the other Euronext Securities Markets on which the Financial Instrument is also admitted to trading.

## 4402 GUARANTEED CROSS TRADES AND GUARANTEED PRINCIPAL TRADES FOR SHARES AND OTHER SECURITIES SUBJECT TO EU DELEGATED REGULATION 2017/587

Guaranteed Cross Trades, which are negotiated transactions as defined in the Delegated Regulation (EU) 2017/587, involve the simultaneous production and execution by a single Euronext Securities Member of opposing buy and sell orders of Clients for an identical quantity of a particular Security and at the same price in the Central Order Book. Guaranteed Cross Trades can be made only for Securities subject to EU delegated regulation 2017/587 traded continuously and shall be effected at a price within the market's best bid/ask spread at the time of execution, boundaries included.

Guaranteed principal trades involve Euronext Securities Members trading voluntarily against their Clients and shall be effected on the conditions applicable to guaranteed cross trades.

### 4403 TRADING SAFEGUARDS

#### 4403/1 Collars and reservation thresholds (volatility monitoring)

##### 4403/1A Continuous trading

Volatility monitoring on the central order book of Securities is based on (i) order control upon entry without impact on market running (referred to as the “collar” method) or (ii) a general market halt (referred to as the “reservation” method). Volatility control methods can relate to either dynamic or static reference prices, as appropriate.

In continuous trading, with the exception of certain classes of Securities, volatility monitoring is based on:

- collars or reservation thresholds determined in reference to a dynamic reference price; and
- reservation thresholds determined in reference to a static reference price.

The allocation of Securities between those mechanisms is determined solely by Euronext, with a view to facilitating the fair, efficient and orderly trading of such Securities. The allocation of Securities and associated parameters are set out in the Trading Manual and related technical appendices.

The aforesaid collars shall be determined by Euronext and published in the Trading Manual and related appendices. Where the execution of an order is bound to provoke a collar breach on the relevant Security, the order will be partially executed at the prices inside the collars subject to specific quantity execution conditions. Continuous trading is not halted. Order execution will continue on the basis of the adjusted collar if the member confirms that the original collar is to be crossed.

The aforesaid reservation thresholds shall be determined by Euronext and published in the Trading Manual and related appendices. Where an order is bound to cause the price of the relevant Security to cross a defined dynamic or static threshold, Euronext will temporarily interrupt the execution of such orders for the portion which would be traded outside the threshold and therefore put the whole market in reservation mode. An auction shall be systematically initiated before continuous trading is resumed.

##### 4403/1/B Auction trading

In auction mode trading, the trading resumption process shall consist of a postponement to the



next auction planned.

### 4403/2 Trading suspensions

The Relevant Euronext Market Undertaking may suspend trading in any Security in order to prevent or halt disorderly market conditions, either on its own initiative, and in its sole discretion, or at the reasoned request of the relevant Issuer.

In addition, the Relevant Euronext Market Undertaking shall suspend trading in any Security upon the request of a Competent Authority.

### 4403/3 Trade cancellation

The Relevant Euronext Market Undertaking may cancel Transactions on its own authority if they have been made:

- (i) in violation of the Rules, particularly those Rules relating to the principles of fair, orderly and efficient market operation; or
- (ii) under improper trading conditions; or
- (iii) further to a manifest material error.

The power to cancel Transactions on Euronext's authority shall encompass order-book and off-order book Transactions.

In addition, and upon request of one of the counterparts:

- (i) Euronext may, for certain kinds of Securities defined in a Notice, cancel Transactions executed at an aberrant price; or
- (ii) Euronext may cancel Transactions with the agreement of the other counterpart(s), based on explanations provided by the member concerned.

The Relevant Euronext Market Undertaking shall inform the market under the conditions set forth in Rule 4503/1, as promptly as possible upon such a cancellation if made during the trading cycle and, for cancellations made after the close thereof, at the latest before the opening of the following trading session.

For the avoidance of doubt, Euronext shall not take into account the consequences of a trade cancellation on subsequent Transactions. Euronext will notably not cancel Transactions executed to close an initial position or Transactions executed further to the triggering of contingent orders (notably stop orders).

**4403/4** For the avoidance of doubt, references to “the Relevant Euronext Market Undertaking” in this Rule 4403 shall be references to the Euronext Market Undertaking which has admitted the relevant Financial Instrument to trading.

## 4404 OFF-ORDER BOOK TRADING

**4404/1** This Rule 4404 defines those transactions that can be deemed to have been effected on Euronext



securities regulated markets pursuant to Articles article 4 and article 9 of MIFIR without having been processed in the central order book system, besides the out-of-hours trades referred to in Rule 4305.

### **4404/2 Large In Scale transactions.**

Large In Scale transactions in Securities admitted to listing or trading on a Euronext Securities Market may be carried out outside the Central Order Book if they are effected in accordance with this Rule 4404.

### **4404/2A Definition for Shares and equivalent Securities**

Large In Scale Transactions shall mean Transactions that are equal to or exceed the size for large scale transactions as set forth by Delegated Regulation (EU) 2017/587 Annex II tables 1 and 2.

### **4404/2B Definition for Bonds**

Large In Scale Trades shall mean Transactions that are equal to or exceed the size for large scale transactions as set forth by Delegated Regulation (EU) 2017/583 Annex III.

### **4404/3 Trading at or around the value weighted average price for Shares and other Securities subject to EU delegated regulation 2017/587**

**4404/3A** Market value weighted average price ("Market VWAP") Transactions are those where, in accordance with the provisions of the Trading Manual, a Member agrees with his Client or with another Member to effect a Transaction at a price within a 1% range (boundaries included) around the average price, as weighted by volumes, traded in the Central Order Book of a Security during a future period of time.

**4404/3B** Euronext is solely competent for defining the computation method of the weighted average prices that may be used as reference prices when registering Transactions of this kind on Euronext Securities Markets. In particular, for the purposes of such a computation, Euronext may exclude certain types of Transactions as may be specified in the Trading Manual.

**4404/3C** Only Shares traded continuously are eligible for such Market VWAP Transactions facility.

### **4404/4 Hedge component of stock contingent trades in derivatives ("delta neutral")**

The transactions on a security admitted to trading on a Euronext Securities Market that result from a trade combining an option contract and its underlying security as a "stock contingent trade" on a Euronext Derivatives Market operated by the same Euronext Market Undertaking are automatically registered on the former Euronext Securities Market, provided that the price of the underlying security is set within an interval, the terms and conditions for calculation of which are defined according to one or more Notices on the subject.

### **4404/5 Other Negotiated Trades for Shares and other Securities subject to EU delegated regulation 2017/587**

Other Negotiated Trades consist, for Shares and other Securities subject to EU delegated regulation 2017/587, of the other kinds of Trades negotiated privately but which are still executed within this Rule 4404. They should be executed at a price at or within the current volume-weighted average

spread reflected on the order book or, where appropriate, within a percentage of the last traded price.

At the explicit request of the relevant counterparties, it is possible to report such Negotiated Trades on another Euronext Securities Market than the Market of Reference, if the concerned Financial Instrument is admitted to trading on that Euronext Securities Market.

For the purpose of price control, the price of the Transaction will be compared to the market data issued from the Central order book on the concerned security.

The price will be controlled based on the following criteria:

- The price is made at or within the current weighted spread reflected in the Central Order Book, and
- The price is within the lowest and the highest price of the concerned Security during the concerned Trading session.

If the Transaction occurs after the Trading hours, the price will be the last traded price or the last adjusted traded price (reference price).

Euronext shall specify in a Notice the conditions under which this reporting facility may be used.

### **4404/6 Net asset value trading**

ETFs and Open-ended Investment Funds are eligible to net asset value trading on a forward pricing basis, subject to the appointment of a fund agent, under conditions specified by Euronext in a Notice.

### **4404/7 Other negotiated Trades for illiquid non-equity Securities**

Pursuant to Article 9(1)(c) of MIFIR, illiquid non-equity Securities can be negotiated privately and executed within this Rule 4404, under conditions specified by Euronext in a Notice.

## **4.5. CONFIRMATION, REPORTING AND PUBLICATION**

### **4501 CONFIRMATION**

**4501/1** The Euronext Market Undertakings shall send an acknowledgement message for the orders entered into the Central Order Book and give them a sequential number per Security, which shall be disclosed to the relevant Euronext Securities Member.

The Euronext Market Undertakings shall send a confirmation of execution to the relevant counterparties upon full or partial execution of any order, which confirmation shall state the unfilled order quantity, if any.

**4501/2** For the Transactions reported according to Rule 4404, the Relevant Euronext Market Undertakings shall send an acknowledgement message for the trade details entered into the off-order book trading system and send a confirmation of execution to the relevant counterparties.

### 4502 REPORTING OF TRANSACTIONS

**4502/1** This rule governs only Transactions (i.e. trades made under the Rules of Euronext Securities Markets) and is without prejudice to the transaction reporting obligations set forth by European and national regulations implementing Article 26 of MIFIR.

#### 4502/2 Order book Transactions

Transactions carried out in the Central Order Book are automatically and immediately deemed to have been effected on, and reported to, the Euronext Securities Market operated by the Relevant Euronext Market Undertaking.

#### 4502/3 Off order book Transactions

A Euronext Securities Member who has effected a Transaction outside the Central Order Book shall report such Transaction to the Relevant Euronext Market Undertaking as close to real time as is technically possible and in any case:

- within the timeframe after the execution of the relevant Transaction for Securities specified in Article 14 of EU delegated regulation 2017/587. For the avoidance of doubt, Market VWAP Transactions shall be reported immediately after the end of the agreed period of time referred to in Rule 4404/3.
- within the timeframe after the execution of the relevant Transaction for Securities specified in Article 7 of EU delegated regulation 2017/583.

When reporting, a Euronext Securities Member shall indicate whether it acted as principal or not.

Transactions carried out outside the Central Order Book shall only upon reporting be deemed to have been effected on the Euronext Securities Market operated by the Relevant Euronext Market Undertaking, subject to any trade cancellation action pursuant to Rule 4403/3.

### 4503 PUBLICATION

**4503/1** For the purposes of this Rule 4503, “publication” shall be construed as dissemination to Euronext Securities Members, Affiliates with whom Euronext Securities Members have granted direct access with the consent of the Relevant Euronext Market Undertaking pursuant to Rule 3.3, eligible information vendors and other Persons which have entered into a Euronext market databases distribution agreement.

#### 4503/2 Pre-trade transparency

Except for orders exempted from pre-trade transparency, the Relevant Euronext Market Undertakings shall continuously publish:

- a) for all Securities other than those traded on the LP quote driven market model:
  - (i) the market by orders, i.e., all orders outstanding at a given time;
  - (ii) the market by limits, i.e., the bid and offer limits in the Central Order Book, including the number of orders and total disclosed order quantity at each such limit; and

- (iii) the best bid and offer, i.e. the best bid and offer limits in the Central Order Book, including the number of orders and the total disclosed order quantity at each such limit.
- b) for Securities traded on the LP quote driven market model:
  - (i) the market by limits, i.e. the bid and offer limits in the Central Order Book, including the total disclosed order quantity at each such limit; and
  - (ii) the best bid and offer, i.e. the best bid and offer limits in the Central Order Book, including the total disclosed order quantity at each such limit.

Retail Liquidity Firm Quotes are specifically identified as such.

During the call phase of auctions, the Euronext Market Undertakings shall continuously publish the theoretical opening price and the components of the potentially executable volume at that price.

### 4503/3 Post-trade transparency

#### 4503/3A Order Book Trades

For each Transaction carried out in the Central Order Book, the Euronext Market Undertakings shall immediately publish the quantity, price and time of execution of such Transaction.

The Transactions carried out as Guaranteed Cross Transactions shall be published with a Negotiated Transaction indicator, unless they qualify as Large in scale Trades due to their size.

The Transactions resulting from matching with Retail Liquidity Firm Quotes shall be specifically identified as such.

#### 4503/3B Off-order Book Trades in Shares and Equivalent Securities

With regard to Shares and equivalent Securities, the following distinctions shall apply:

- (i) Large In scale Trades in which the Euronext Securities Member does not act as principal shall be published upon reporting;
- (ii) principal Large In scale Trades with the meaning of a trade between a Member dealing on own account and a client of that Member shall be published as follows:
  - a. with regard to Shares, pursuant to the timeframe set forth by the Delegated Regulation (EU) 2017/587 Annex II tables 4;
  - b. with regard to ETFs, pursuant to the timeframe and set forth by the Delegated Regulation (EU) 2017/587 Annex II table 5;
  - c. with regard to certificates and other similar financial instruments, pursuant to the timeframe and set forth by the Delegated Regulation (EU) 2017/587 Annex II table 6.
- (iii) negotiated Trades shall be identified as such and published immediately upon reporting, unless they qualify for the Large In Scale transaction deferred publication regime;

- (iv) Market VWAP Transactions shall be identified as such and published immediately upon reporting, unless they qualify for the Large In Scale transaction deferred publication regime;
- (v) hedge of stock contingent trades shall be identified as such and published immediately upon execution; and
- (vi) Transactions carried out outside Trading Hours shall be published before market opening on the following Trading Day, unless they qualify as Large In Scale transaction for a specific publication timetable; and
- (vii) Net asset value Trades shall be identified as such and published immediately upon execution at the net asset value.

### **4503/3C Off-order Book Trades in Bonds and equivalent Securities**

With regard to Bonds and equivalent Securities, trades are published according to the timeframe set forth by Delegated Regulation (EU) 2017/583 articles 7 and 8 and Annex III.

**4503/4** Use of market data by Euronext Securities Members. The use of market data by a Euronext Securities Member is governed by the Euronext market databases distribution agreement with Euronext.

## **4.6. CLEARING AND SETTLEMENT**

**4601/1** Transactions executed on a Euronext Securities Market shall be cleared in accordance with the rules and procedures set forth in the Clearing Rule Book of the relevant Clearing Organisation, and settlement shall be arranged through the settlement organisations designated by Euronext.

**4601/2** Clearing rules and procedures of the relevant Clearing Organisation may provide that some Transactions in Securities are excluded from the performance guarantee of that Clearing Organisation. Members should establish from time to time the scope thereof by referring to the appropriate information published by the relevant Clearing Organisation.

# **CHAPTER 5:**

# **TRADING RULES FOR**

# **DERIVATIVES**

Draft pending review

### 5.1. GENERAL

#### 5101 SCOPE OF CHAPTER 5

This Chapter 5 sets forth rules governing trading on the Euronext Derivatives Markets.

#### 5102 TRADING DAYS AND TRADING HOURS

**5102/1** The Trading Days in any given calendar year shall be announced by the Euronext Derivatives Markets in a Notice published no later than the last Trading Day of the preceding year.

**5102/2** The opening and closing hours of the markets, and the opening and closing trading times for each Derivative which is an Admitted Financial Instrument within the foregoing hours, shall be determined from time to time and published by the Euronext Derivatives Markets.

#### 5103 ADMISSION TO TRADING AND CONTRACT SPECIFICATIONS

**5103/1** Prior to designating a Derivative as an Admitted Financial Instrument, the Relevant Euronext Market Undertaking shall determine that the design of such Derivative shall allow for its orderly pricing and the existence of effective settlement conditions and comply with the provisions of Article 5 of Commission Delegated Regulation (EU) 2017/568 of 24 May 2016.

**5103/2** The prescribed terms of arrangement in respect of a Derivative which is an Admitted Financial Instrument are published by the Euronext Derivatives Markets as Contract Specifications.

**5103/3** Such Contract Specifications may be amended from time to time and such amendments will be published in a Notice. The Relevant Euronext Market Undertaking will not perform amendments to Contract Specifications in respect of open positions except in exceptional circumstances and/or in the interests of maintaining a fair and orderly market.

#### 5104 DELIVERY MONTHS, EXPIRY MONTHS AND EXPIRY DATES

**5104/1** The delivery months or expiry months or expiry dates, as the case may require, and the option series, where relevant, in respect of all Derivatives which are Admitted Financial Instruments shall be determined from time to time and published by the Euronext Derivatives Markets.

#### 5105 LIQUIDITY PROVIDERS/ MARKET MAKERS

**5105/1** When the Relevant Euronext Market Undertaking considers it to be in the interest of the market that liquidity in a particular Admitted Financial Instrument be improved, it may enter into Liquidity Provider Programme whereby Euronext Derivatives Members or Clients of Euronext Derivatives Members not pursuing any market making activity as defined in Articles 17(4) and 48(2) of MIFID assume the role of Liquidity Provider for such Instrument.

**5105/2** Obligation for investment firms to enter into a market making agreement

When the conditions set forth by the Commission Delegated Regulation (EU) 2017/578 article 1 are met by a Member, this Member shall enter in a Market Making Agreement with the Relevant Euronext Market undertaking.

**5105/3** Market Making Schemes

When applicable according to Commission Delegated Regulation (EU) 2017/578 Euronext Market undertakings have in place Market Making Schemes.

**5105/4** The Relevant Euronext Market Undertaking shall publish and regularly update the list of Market Makers and information relating to their commitments under the terms of the applicable Market Making Agreements and Schemes Programmes in accordance with Article 7.1 of the Delegated Regulation (EU) 2017/578., and regularly publish and update the list of Liquidity Providers and information relating to their commitments under the terms of the applicable Liquidity Provision Programme .

### 5106 TRADING PROCEDURES

**5106/1** The Euronext Derivatives Markets shall implement such procedures ("Trading Procedures") as they deem fit including, without limitation, the following:

- (i) procedures governing the conduct of trading on the Euronext Trading Platform; and
- (ii) procedures in relation to any other aspect of business conducted on the market.

Such procedures may be introduced or amended from time to time and are published by the Euronext Derivatives Markets in accordance with Rule 1501.

**5106/2** The Trading Procedures have the same status with regard to enforceability as the Rules.

### 5107 MEMBER RESPONSIBILITY

In respect of business conducted on Euronext Derivatives Markets or business related thereto, a Euronext Derivatives Member shall be responsible for the acts and conduct of all Responsible Persons registered in its name and all individuals trading under the general authority of such Responsible Persons as if the acts and conduct of each of those persons were the acts and conduct of the Euronext Derivatives Member. In particular, a Euronext Derivatives Member shall be held responsible for a violation of a relevant obligation committed by any such person and sanctions may be imposed under the Rules.

## 5.2. ACCESS TO EURONEXT TRADING PLATFORM

**5201** Subject to a Euronext Derivatives Member entering into a Trading Platform Agreement and satisfying such conditions as may be required by the Relevant Euronext Market Undertaking from time to time and subject to the Rules and Trading Procedures from time to time in force, the Relevant Euronext Market Undertaking will provide access to the Euronext Trading Platform to a Euronext Derivatives Member who wishes to conduct business in respect of Derivatives made available by that Relevant Euronext Market Undertaking for trading on the Euronext Trading Platform.

**5202** Pursuant to the arrangements referred to in Rule 5201, the Relevant Euronext Market Undertaking may:

- (i) suspend a Euronext Derivatives Member's access to the Euronext Trading Platform following a warning which may be made in writing or verbally (and subsequently confirmed in writing); or
- (ii) terminate a Euronext Derivatives Member's access to the Euronext Trading Platform by notice in



writing.

**5203** For the avoidance of doubt, the Relevant Euronext Market Undertaking shall:

- (i) terminate a Euronext Derivatives Member's access to the Euronext Trading Platform; and
- (ii) cancel all outstanding orders submitted by, or in the name of, that Euronext Derivatives Member, if the trading privileges of a Euronext Derivatives Member are suspended or if the Euronext Derivatives Member is expelled from membership.

### 5.3. TRADING ON THE EURONEXT TRADING PLATFORM

#### 5301 TRADING AND ORDER MATCHING

**5301/1** Derivatives shall be traded on the Euronext Trading Platform through continuous matching of orders at opposite sides of the Central Order Book in accordance with the trade priority rules determined by the Relevant Euronext Market Undertaking from time to time and published in Book II of the Rules or in the Trading Procedures, as the case may be.

**5301/2** Orders Minimum indications

Any order submitted to the Central Order Book shall at least indicate if applicable the following elements:

- (i) the Financial Instrument to which the order relates or the trading symbol assigned by the Euronext Market Undertakings to such Financial Instrument;
- (ii) whether the order is for a purchase or a sale;
- (iii) the order quantity;
- (iv) the price conditions;
- (v) whether the order is submitted:
  - a. for the Euronext Derivatives Member's own account;
  - b. for the account of a third party;
  - c. pursuant to a Market Making Agreement or Market Making scheme or Liquidity Provision Programme;
- (vi) client identification short code;
- (vii) investment decision within Firm identification short code;
- (viii) Execution within Firm identification short code.

For each order Members have to provide Euronext, before the end of the trading day, with all the

data requested in the Annex of the Commission Delegated Regulation (EU) 2017/580.

### 5302 ORDER TYPES

**5302/1** The order types which may be submitted to the Central Order Book consist of:

- (i) limit orders; and
- (ii) market orders.

The Trading Procedures from time to time in force shall specify the detailed requirements for each type of order in respect of each Derivative which is an Admitted Financial Instrument.

### 5303 ORDER EXECUTION

**5303/1** [reserved]

**5303/2** Every Transaction, whether executed on the Central Order Book or otherwise, shall be executed in accordance with Trading Procedures from time to time implemented by the Euronext Derivatives Markets. Transactions may take place only on Trading Days during the hours specified for that purpose under Rule 5102/2.

**5303/3** All bids, offers and Transactions made through the Euronext Trading Platform workstation shall be binding on the Euronext Derivatives Member through whose order entry access such bids, offers or Transactions (as the case may be) are made.

### 5304 CONTRACTUAL RELATIONSHIPS

**5304/1** Valid acceptance of a valid bid or offer shall make a Transaction between the members whose traders made the bid or offer and the acceptance.

**5304/2** In the case of the Euronext Trading Platform, the matching of a valid bid with a valid offer by the Trading Host shall constitute the valid acceptance of a valid bid or offer for the purposes of this Rule 5304.

## 5.4. TERMINATION, SUSPENSION AND TRADE INVALIDATION/CANCELLATION

### 5401 TERMINATION OF A TRADING SESSION

**5401/1** The Relevant Euronext Market Undertaking may terminate a trading session for one or more Derivatives in the interests of an orderly market. The procedures for termination and/or resumption of a trading session are detailed in the Trading Procedures.

### 5402 SUSPENSION OR LIMITATION OF TRADING

**5402/1** Without prejudice to actions taken pursuant to Chapter 9, the Relevant Euronext Market Undertaking may suspend or limit the availability for trading of a Derivative or take any other measure it deems necessary in the interests of maintaining an orderly and proper market. Such suspension or limitation, and any resumption of availability for trading, or the imposition or revocation of any such other measure, shall be published by the Relevant Euronext Market Undertaking by the method deemed most effective in the circumstances and confirmed, where

appropriate, by Notice.

**5402/2** Pursuant to Rule 5402/1, the Relevant Euronext Market Undertaking may, in accordance with Union Law, determine to suspend an option series. Options series can be suspended if corresponding call and put series both have no open interest, except

- a. in the case of a just in-the-money, or just out-of-the-money series, or
- b. if there is another series at least as far in-the money (or out-of-the-money) with the same expiry date that does not satisfy the criterion for suspension; or
- c. if there is another series with the same Exercise Price but with a later expiry date that does not satisfy the criterion for suspension.

### 5403 INVALIDATION AND CANCELLATION OF TRANSACTIONS

**5403/1** A Transaction made or purported to be made may be declared invalid by the Relevant Euronext Market Undertaking in the circumstances set out in Book II of the Rules or in the Trading Procedures.

**5403/2** A transaction made in error in designated Derivatives may be declared invalid by the Relevant Euronext Undertaking subject to the conditions set out in Book II of the Rules or in the Trading Procedures.

### 5404 DELISTING OF DERIVATIVES

**5404/1** The Relevant Euronext Market Undertaking may, in accordance with Union Law, determine to delist a Derivative or remove a Class. A Derivative may be delisted or a Class removed for a variety of reasons including the following:

- a. the delisting of one of the underlying instruments of the Contract if these underlying instruments have been admitted to listing on a Regulated Market or on an organised market established outside the European Economic Area;
- b. the removal of the underlying index;
- c. a lack of liquidity.

Such delisting, and any subsequent re-listing, shall be published by the Relevant Euronext Market Undertaking by the method deemed most effective in the circumstances and confirmed, where appropriate, by Notice.

**5404/2** The Relevant Euronext Market Undertaking may, in accordance with Union Law, determine to delist an option series, and may consult Members prior to such determination. Option series can be delisted if corresponding call and put series both have no open interest, except:

- a. in the case of a just in-the-money, or just out-of-the-money series, or
- b. if there is another series at least as far in-the money (or out-of-the-money) with the same expiry date that does not satisfy the criterion for deletion; or

- c. if there is another series with the same Exercise Price but with a later expiry date that does not satisfy the criterion for deletion.

### 5.5. PRE-NEGOTIATION AND PRE-ARRANGEMENT

**5501/1** Euronext Derivatives Members are permitted to negotiate with other Persons prior to executing, or attempting to execute, a Cross Transaction or an Off Order Book Transaction (“pre-negotiation”) where such pre-negotiation is expressly permitted by the Rules or the Trading Procedures and such pre-negotiation is conducted strictly in accordance with the requirements of such Rules or Trading Procedures.

**5501/2** Any prior negotiation with other Persons other than that referred to in Rule 5501/1 shall give rise to a violation of the Rules. Any Transaction made or purported to be made, the execution of which was the subject of prior negotiation other than in accordance with Rule 5501/1 (“pre-arrangement”), may be declared invalid.

### 5.6 CROSS TRANSACTIONS AND OFF ORDER BOOK TRANSACTIONS

#### 5601 CROSS TRANSACTIONS

**5601/1** The execution of Cross Transactions shall be permitted, either through the Central Order Book or as Off Order Book Transactions, subject to conditions to be specified by the Relevant Euronext Market Undertaking in the Trading Procedures.

**5601/2** Cross Transactions in respect of particular classes of Derivatives may be subject to additional conditions or restrictions which shall be specified by the Relevant Euronext Market Undertaking in the Trading Procedures.

**5601/3** The conditions to be specified in the Trading Procedures pursuant to Rules 5601/1 and 5601/2 shall include, inter alia, conditions relating to price, minimum volume and publication.

#### 5602 OFF ORDER BOOK TRANSACTIONS

**5602/1** The Relevant Euronext Market Undertaking shall specify in the Trading Procedures the conditions under which Transactions may be executed outside the Central Order Book (“Off Order Book Transactions”). In particular, the Relevant Euronext Market Undertaking may permit the execution of Off Order Book Transactions falling within the following categories:

- a. Technical Trades, i.e. Off Order Book Transactions which involve combinations of (i) Admitted Financial Instruments or (ii) Admitted Financial Instruments and related Financial Instruments or commodities;
- b. Large-in-Scale Trades, i.e. Transactions whose size equals or exceeds the minimum volume specified by the Relevant Euronext Market Undertaking;
- c. Other pre-negotiated Trades, including Guaranteed Cross Trades and Flex Contracts.

All Transactions executed pursuant to these facilities shall be deemed to be executed on the

relevant Regulated Market and, with the exception of Flex Contracts, the resultant positions shall be fungible with positions resulting from Transactions executed on the Central Order Book. The Relevant Euronext Market Undertaking shall specify in the Trading Procedures the conditions under which fungibility for Flex Contracts will occur.

**5602/2** The conditions to be specified in the Trading Procedures pursuant to Rule 5602/1 shall include, inter alia, conditions relating to price, minimum volume and publication.

### 5.7. REPORTING AND PUBLICATION

#### 5701 REPORTING

##### 5701/1 Scope

This rule governs only Transactions (i.e. trades made on a Euronext Derivatives market under these Rules) and is without prejudice to any trade reporting obligation to which a member is subject by his regulator or supervisor.

##### 5701/2 On Order Book Transactions

Transactions carried out in the Central Order Book are automatically and immediately deemed to have been executed on, and reported to, the Euronext market operated by the Relevant Euronext Market Undertaking.

##### 5701/3 Off Order Book Transactions

A Euronext Derivatives Member who has negotiated an Off Order Book Transaction shall report such Transaction to the Relevant Euronext Market Undertaking as soon as practicable in such manner as may be prescribed by that Euronext Market Undertaking. In any event, such report shall be submitted by the Member to the Relevant Euronext Market Undertaking within fifteen minutes of the time at which the Off Order Book Transaction was negotiated unless the Euronext Market Undertaking has specified in the Trading Procedures a longer reporting time.

Such Transactions shall be deemed to have been executed on the Euronext Derivatives Market operated by the Relevant Euronext Market Undertaking only when they have been received or validated, as the case may be, by that Euronext Market Undertaking.

#### 5702 PUBLICATION

**5702/1** The Relevant Euronext Market Undertaking shall immediately publish the volume and price associated with all bids and offers submitted to the Central Order Book and with all Transactions executed in the Central Order Book.

**5702/2** In respect of Off Order Book Transactions, the Relevant Euronext Market Undertaking shall specify, inter alia, the publication arrangements in the Trading Procedures. In any event, publication shall be immediate except where the Relevant Euronext Market Undertaking has specified in the Trading Procedures that deferred publication is permitted.

### 5703 USE OF MARKET DATA BY EURONEXT DERIVATIVES MEMBERS

**5703/1** The use of market data by Euronext Derivatives Members is governed by the Euronext market data distribution agreement with Euronext.

# **CHAPTER 6:**

# **ADMISSION TO**

# **TRADING AND**

# **CONTINUING**

# **OBLIGATIONS OF**

# **ISSUERS**

## 6.1. SCOPE OF CHAPTER 6

**6101** This Chapter 6 sets forth:

- (i) the requirements and procedures for the admission to trading and removal of Securities,
- (ii) the administrative measures that can be taken to facilitate the fair, orderly and efficient operation of the markets; and
- (iii) the continuing obligations of Issuers whose Securities are admitted to trading with their consent (including, without limitation, informing the Relevant Euronext Market Undertaking of corporate and securities events).

**6102** For the purposes of this Chapter 6 and unless otherwise specified in Book II, admission to trading shall mean the admission to trading of Securities by the Relevant Euronext Market Undertaking on a Euronext Securities Market at the request of, or after having informed, the Issuer, and removal shall be construed accordingly.

**6102A** For the avoidance of doubt, this Chapter 6 is without prejudice to rules relating to the admission to listing which may be set out in the relevant Book II for a Market Undertaking.

**6103A** The Relevant Euronext Market Undertaking shall be competent for all matters with respect to admission to trading and removal of Securities, administrative measures and the continuing obligations of Issuers as set forth in this Chapter 6, unless provided otherwise by National Regulations.

**6103B** Issuers must comply with the disclosure and reporting obligations pursuant to Union law to ensure transparency for investors and market integrity.

**6104** References to amounts denominated in euros in this Chapter 6 and in any Notices or supplementary requirements imposed pursuant to this Chapter 6 shall be deemed to refer to equivalent amounts in other currencies.

**6105** [reserved]

**6106** Issuers must satisfy the obligations set forth in this Chapter 6 to enable the Relevant Euronext Market Undertaking to perform its functions and meet its responsibilities as the operator of a Regulated Market.

**6107** The Relevant Euronext Market Undertaking shall, if there has been an actual or it has serious indications of a potential infringement by an Issuer of National Regulations in respect of any initial or on-going listing obligations pursuant to National Regulations, report the matter to the relevant Competent Authority as soon as practicable after becoming aware of such (potential) infringement.



## 6.2. GENERAL REQUIREMENTS FOR THE ADMISSION TO TRADING OF SECURITIES

- 6201** Upon admission to trading and for as long as the Securities are admitted:
- (i) the Issuer must be validly incorporated and its legal form, structure and business activities must be in accordance with its articles of association and applicable laws and regulations; and
  - (ii) the Issuer must comply with the requirements of any relevant Competent Authority; and
  - (iii) adequate procedures must be available for the clearing and settlement of Transactions in respect of such Securities; and
  - (iv) the Issuer shall take all necessary measures to have its ISIN code as well as an active LEI.
- 6202** The Issuer shall ensure that Securities of the same class have identical rights in accordance with applicable laws and regulations, the Issuer's articles of association and other constitutional documents.
- 6203** Securities must be validly issued in accordance with applicable laws and regulations governing those Securities, the Issuer's articles of association and other constitutional documents.
- 6204** The Issuer shall ensure that the form of Securities complies with the requirements of applicable National Regulations.
- 6205** The Issuer shall ensure that Securities are capable of being traded in a fair, orderly and efficient manner and, in the case of transferable securities, are freely negotiable. The Relevant Euronext Market Undertaking will also attach importance to the Issuer's financial condition and other factors of significance for whether the Securities are suitable for trading.
- 6206** Securities entitling holders to acquire other Securities ("Underlying Securities") are eligible for admission to trading only if at the time of the application:
- (i) the Underlying Securities are admitted to trading on a Regulated Market or, outside the European Union, on another organised market subject to equivalent standards as determined by the Relevant Euronext Market Undertaking; or
  - (ii) there are adequate assurances that such Underlying Securities will be admitted on a Regulated Market or, outside the European Union, on another organised market subject to equivalent standards as determined by the Relevant Euronext Market Undertaking by the time at which the right to acquire them can be exercised.
- 6207** The Issuer shall apply for admission to trading of all its Securities of the same class issued at the time of the application or proposed to be issued. If the Issuer has more than one class of Security in accordance with applicable laws and regulations, the criteria for admission to trading must be satisfied for each class of Security for which admission to trading is sought, unless agreed otherwise by the Relevant Euronext Market Undertaking.
- 6208** All members of Issuer's board of directors must have satisfactory expertise in respect of the Rules and applicable laws and regulations.
- 6209** The Issuer may decide to distribute in whole or in part Securities through a centralisation process

organized by the Relevant Euronext Market Undertaking. The Relevant Euronext Market Undertakings shall specify such procedure in the relevant Book II or in a Notice.

- 6210** The Relevant Euronext Market Undertaking may create specific segments in the Euronext Securities Market it operates, based on Market Capitalisation criteria or other criteria, and allocate Securities to those distinct segments. The allocation will be reviewed periodically. Securities included in the Recovery Box or the Penalty Bench are not included in these segments.
- 6211** The Issuer that applies for admission to trading of Securities shall promptly pay any fees charged by the Relevant Euronext Market Undertaking in accordance with the conditions established by the Relevant Euronext Market Undertakings and communicated to the Issuers.

### 6.3. ADDITIONAL REQUIREMENTS FOR THE ADMISSION TO TRADING PER CATEGORY OF SECURITIES

- 6301** In addition to the general requirements set forth in Rule 6.2, this Rule 6.3 contains additional requirements regarding the admission to trading of specific categories of Securities, unless otherwise specified in Book II.

#### 6302 SHARES, DEPOSITARY RECEIPTS FOR SHARES AND EQUITY SECURITIES.

- 6302/1** A first admission to trading of Shares, Depositary Receipts for Shares or Equity Securities is subject to the following conditions being met:
- (i) at the time of admission to trading, a sufficient number of Securities must be distributed to the public. A sufficient number of Securities shall be deemed to have been distributed to the public if at least 25% of the subscribed capital represented by the class of Securities concerned are in the hands of the public or such lower percentage determined – in its absolute discretion – by the Relevant Euronext Market Undertaking in view of the large number of the Securities concerned and the extent of their distribution to the public. This percentage shall not be lower than 5 % of the subscribed capital represented by the class of Securities concerned and must represent a value of at least five (5) million euro calculated on the basis of the subscription price; and
  - (ii) at the time of admission to trading, the Issuer or, in the case of Depositary Receipts, the issuer of the Underlying Securities must have published or filed audited annual financial statements or pro forma accounts, consolidated where applicable, for the preceding three financial years, drawn up in accordance with the accounting standards of the country where the Issuer has its registered office, IFRS or any other accounting standards allowed by National Regulations for the period covered by the financial information. If the fiscal year closed more than nine (9) months before the date of the admission to trading, the Issuer must have published or filed semi-annual accounts.
- 6302/2** Without prejudice to Rule 6206, the Relevant Euronext Market Undertaking may grant dispensation from the requirement set forth in Rule 6302/1 (ii) if this is in the interests of the Issuer or in the case of Depositary Receipts, the issuer of the Underlying Securities or investors and if the Issuer has made sufficient information available enabling investors to make an informed assessment of the assets and liabilities, financial position, profit and losses, and prospects of the Issuer or, in the case of Depositary Receipts, that of the issuer of the Underlying Securities and any guarantor (if applicable), and of the rights attaching to the Securities to be admitted to trading.

In those cases, the Relevant Euronext Market Undertaking may – in its absolute discretion – subject the admission to trading to additional requirements in respect of Market Capitalisation, shareholders' equity and/or lock-up requirements, or any other condition determined by the Relevant Euronext Market Undertaking.

### 6303 BONDS

**6303/1** Each Applicant requesting an admission to trading of bonds shall on admission be issuing a minimum nominal amount of at least:

- (i) five million (5,000,000) euro in case of a public offer of bonds; or
- (ii) two hundred thousand (200,000) euro for all other types of admission of bonds (i.e. without any public offering).

The above minimum amounts do not apply in the case of tap issues where the amount of the issue is not fixed.

**6303/2** The application for admission to trading must relate to all bonds ranking *pari passu*.

**6303/3** Applicant qualifying as SMEs requesting an admission to trading of bonds via a public offer shall obtain, and disclose in the relevant offering documents, a rating (in relation to the Issuer or the relevant Securities to be offered) from a credit rating agency duly registered with or certified by ESMA, unless specifically agreed otherwise between the Relevant Euronext Market Undertaking and the Issuer.

For the purpose of this Rule, "SMEs" means:

- (i) in respect of companies whose Equity Securities (or equivalent securities) are admitted to trading on a Euronext Securities Market or on any other Regulated Market (or on any other market having equivalent standards), companies that had an average market capitalisation of less than € 100 million on the basis of end-day quotes for the 30 Trading Day period prior to the date of submission of the application for listing of the relevant bonds to the Relevant Euronext Market Undertaking; and
- (ii) in respect of companies whose Equity Securities (or equivalent securities) are not admitted to trading on a Euronext Securities Market or on any other Regulated Market (or on any other market having equivalent standards), companies, according to their last annual or consolidated accounts, that meet at least two of the following three criteria: an average number of employees during the financial year of less than 250, a total balance sheet not exceeding € 43 million and an annual net turnover not exceeding € 50 million.

Any Applicant not qualifying as an SME shall provide the Relevant Euronext Market Undertaking with satisfactory evidence that it does not qualify as an SME.

Without prejudice to the above, the Relevant Euronext Market Undertaking may notably further require that:

- (i) bonds to be admitted pursuant to an admission process not involving a public offer as above described are rated by a credit rating agency; and/or

- (ii) irrespective of the type of admission (i.e. with a public offering or not), a guarantee for the principal amount and interest is issued by a parent company or by a third party as agreed with the Relevant Euronext Market Undertaking.

The Euronext Market Undertakings may further specify the above admission criteria by way of a Notice.

### 6304 CLOSED-ENDED INVESTMENT FUNDS AND INVESTMENT COMPANIES

**6304/1** A first admission to trading of Securities issued by a Closed-ended Investment Fund or by an Investment Company is subject to the following conditions being met:

- (i) at the time admission to trading, the Market Capitalisation of the Securities for which admission to trading is sought must be at least five (5) million euro;
- (ii) the Securities must be permitted to be marketed in the Member State of the Relevant Euronext Market Undertaking;
- (iii) at the time of admission to trading, a sufficient number of Securities must be distributed to the public. A sufficient number of such Securities shall be deemed to have been distributed to the public if at least 25% of the subscribed capital represented by the class of Securities concerned are in the hands of the public or such lower percentage determined – in its absolute discretion – by the Relevant Euronext Market Undertaking in view of the large number of the Securities concerned and the extent of their distribution to the public; and
- (iv) at the time of the admission to trading or, if that admission coincides with an issue and the Securities to be issued have already been allotted at the time of admission, after the issue of the allotted Securities, the Market Capitalisation must be at least five (5) million euro.

### 6305 ETFs, ETNs, ETVs AND OPEN-ENDED INVESTMENT FUNDS OTHER THAN ETFs

**6305/1** The conditions for the first admission to trading of ETFs, ETNs, ETVs and other Open-ended Investment Funds are set out in a Notice.

### 6306 STRUCTURED PRODUCTS

**6306/1** Any Applicant seeking the admission to trading of warrants must be:

- (i) a Credit Institution or an Investment Firm; or
- (ii) an entity subject to a comparable supervision and control, whereby certification of such supervision and control and proof of the comparability must be provided by the Applicant; or
- (iii) any other entity whose obligations, in relation to the warrants being issued, are unconditionally and irrevocably guaranteed by, or benefit from an arrangement which is equivalent in its effect to such a guarantee provided by, an entity which satisfies (i) or (ii) above.

**6306/2** The Relevant Euronext Market Undertaking may require that in relation to the admission to trading of a Warrant a Liquidity Provision Agreement is entered into between a Liquidity Provider and the Relevant Euronext Market Undertaking and the signing of any other agreement as the Relevant Euronext Market Undertaking deems, in its absolute discretion, appropriate.

**6306/3** The Relevant Euronext Market Undertaking may subject the admission to trading of warrants to a minimum quantity per issue or to a minimum order size.

**6306/4** For Structured Derivatives products indexed to (1) a commodity underlying, (2) a commodity index underlying (3) or any underlying with a commodity component, the Relevant Euronext Market Undertaking will subject the admission to trading (and subsequent potential increase) to a maximum total quantity of 2.5 million securities per ISIN code.

## 6307 OTHER TRANSFERABLE SECURITIES

**6307/1** The admission to trading of other transferable Securities shall be subject to such specific requirements as the Relevant Euronext Market Undertaking may specify in a Notice taking into account the nature of the Securities for which admission is sought and, to the extent possible, the general listing requirements specified in this Chapter 6 for comparable Securities.

**6307/2** The Relevant Euronext Market Undertaking may determine that certain other transferable Securities do not qualify for admission to trading.

## 6.4. APPLICATION PROCEDURE FOR THE ADMISSION TO TRADING

**6401** An application for admission to trading must be filed with the Relevant Euronext Market Undertaking by submitting a duly signed Application Form within the timeframe specified in the Application Form or in the Book II.

**6402** The Relevant Euronext Market Undertaking and the Applicant shall jointly agree on a timetable in respect of the admission to trading in accordance with the relevant Euronext Market Undertaking application procedures.

**6403** [reserved]

**6404** Unless specifically provided in Book II, Issuers must appoint a Listing Agent for the first admission to trading of Securities and for any subsequent admission to trading of Securities requiring the approval of a prospectus. The Relevant Euronext Market Undertaking shall specify by Notice the requirements to appoint a Listing Agent and the tasks and the responsibilities of a Listing Agent. The requirement to appoint a Listing Agent is without prejudice to National Regulations regarding the appointment of financial intermediaries or other qualified entities in relation to a public offer or other offerings of Securities.

**6405** An Application Form submitted for the admission to trading of Depository Receipts must also be signed by the Issuer of the Underlying Securities.

**6406** The Relevant Euronext Market Undertaking may:

- (i) impose on an Applicant, on a specific case-by-case basis, such supplementary listing requirements in addition to those specified in Rules 6.6 and 6.7 as it reasonably considers appropriate and of which it shall duly inform the Applicant prior to its decision on the application, notably if the Relevant Euronext Market Undertaking considers this necessary for the protection of potential investors;

- (ii) require any additional documentation and information from an Applicant; or
- (iii) conduct such inquiries or investigations as may reasonably be required in connection with its review of an application for admission to trading.

## 6.5. GENERAL DOCUMENTATION TO BE FURNISHED AT THE TIME OF THE APPLICATION

**6501** At the time of the application, to the extent applicable, the following documentation must be provided to the Relevant Euronext Market Undertaking:

- (i) the Application Form duly signed by the Applicant;
- (ii) the documents specified in the Application Form, including but not limited to information evidencing to the satisfaction of the Relevant Euronext Market Undertaking that:
  - a. the legal position and organisation of the Applicant are in accordance with applicable laws and regulations;
  - b. the administration of corporate events and the payment of dividends (if applicable) are ensured; and
  - c. adequate procedures are available for the clearing and settlement of Transactions in respect of the relevant Securities.
- (iii) One or more draft and a copy of the approved prospectus (or equivalent disclosure document) issued by the Applicant in connection with the application;
- (iv) a copy of the minutes from the relevant corporate body or bodies containing resolutions authorising the application for admission to trading and issue of Securities (to the extent applicable,

The documentation referred to in this Rule 6301 is provided to the Relevant Euronext Market Undertaking under the sole responsibility of the Applicant and to allow the Relevant Euronext Market Undertaking to check if the Applicant satisfies the requirements set out in Rules 6.6 and 6.7. The Relevant Euronext Market Undertaking shall not be liable for false or incomplete information provided by the Applicant (or, once the Securities have been admitted to trading, the Issuer) in connection with the admission to trading of Securities.

**6502** The Relevant Euronext Market Undertaking may further specify, in one or more Notices, which documentation is deemed to be satisfactory. Without prejudice to Rule 6503 and in addition to the documentation and information required pursuant to Rule 6501, the Relevant Euronext Market Undertaking may also specify by Notice other documentation that must be supplied in respect of particular categories of Securities.

**6503** All documentation that is required to be submitted pursuant to this Chapter 6 shall be in English or in a language accepted by the Relevant Euronext Market Undertaking and if necessary translated by a certified translator. If the registered office of the Applicant is located outside the European Economic Area, the Relevant Euronext Market Undertaking may require that the Applicant's financial statements are restated in the GAAP applicable to the jurisdiction in which the Relevant



Euronext Market Undertaking has its registered office and that this restatement is reviewed by an auditor acceptable to it.

## 6.6. DECISION BY THE RELEVANT EURONEXT MARKET UNDERTAKING

**6601** Unless agreed otherwise by the Applicant and the Relevant Euronext Market Undertaking, the Relevant Euronext Market Undertaking shall take a decision in respect of an application for admission to trading within a maximum period of thirty (30) Trading Days.

The period shall begin as of the date the Relevant Euronext Market Undertaking has received a complete set of the documentation and the information required pursuant to Rule 6.3 and/or Rule 6206.

**6602** The decision of the Relevant Euronext Market Undertaking to admit Securities to trading shall remain valid for a maximum period of sixty (60) Trading Days, except if the Relevant Euronext Market Undertaking becomes aware that any information provided in connection with the application for the admission to trading has changed during this period. Upon the written request of the Applicant, the Relevant Euronext Market Undertaking may extend this period once for a maximum of a further sixty (60) Trading Days.

**6603** The Applicant shall be informed in writing of the decision and the Relevant Euronext Market Undertaking shall issue a first market notice in relation to the date on which the admission to trading of Securities shall become effective, the Market of Reference, any conditions and other particulars in respect of the admission to trading of the relevant Securities. The Relevant Euronext Market Undertaking may issue a subsequent market notice in relation to the admission to trading confirming, among other things, that the conditions have been satisfied and the date on which the admission to trading shall become effective.

**6604** In the case of a public offer of Securities, the admission to trading shall become effective only after the completion of the subscription period, except in the case of tap issues of Securities when the closing date for subscription is not yet fixed.

## 6.7. GROUNDS FOR REFUSAL

**6701** The Relevant Euronext Market Undertaking may refuse an application for admission to trading of a Security on any appropriate ground, including (without limitation) if:

- (i) the Applicant does not meet one or more of the requirements imposed by or pursuant to this Chapter 6 or any applicable National Regulations; or
- (ii) it considers that the admission to trading of the Securities may be detrimental to the interests of the market as a whole, the fair, orderly and efficient operation of the Euronext Securities Market or to the reputation of Euronext as a whole; or
- (iii) a Security is already admitted to listing/trading on another market and the Applicant has not complied or does not comply with the obligations resulting from such admission to trading; or

- (iv) the Applicant, any of its board members (including supervisory board members) or its beneficial owners are on the EU Sanction List or on the list drawn up by the Office of Foreign Assets Control (OFAC).

**6702** The Applicant shall be informed in writing of the decision to refuse an application for admission to trading and the reasons for this refusal.

**6703** Subject to Rule 1.7, an Applicant may appeal against the decision of the Relevant Euronext Market Undertaking to refuse an application for admission to trading in accordance with National Regulations.

## 6.8. ADDITIONAL REQUIREMENTS FOR THE ADMISSION TO TRADING OF SECURITIES ON A “IF AND WHEN ISSUED/DELIVERED” BASIS

**6801/1** At the request of the Applicant, the Relevant Euronext Market Undertaking may, by way of a derogation from the Rule 6203, admit to trading Securities that have not yet been effectively issued and/or delivered, as applicable, (and such admission to trading will be referred to as an admission on a “If and When Issued/Delivered” basis) for a maximum period of time not exceeding the standard settlement date calculated from the first date of such admission on a If-and-When-Issued/Delivered basis (unless agreed otherwise). The Relevant Euronext Market Undertaking must be notified at least 10 Trading Days in advance before the first date of such admission on a “If and When Issued/Delivered” basis. In addition to the general requirements set forth in Rules 6.2 and 6.3, admission to trading of Securities on a “If and When Issued/Delivered” basis is subject to the following conditions being met:

- (i) the Applicant has provided to the Relevant Euronext Market Undertaking a description of the various elements that will be taken into account by the Applicant to determine whether or not to cancel the admission to trading;
- (ii) the Applicant confirms to the Relevant Euronext Market Undertaking that adequate measures have been taken to ensure that sufficient information including the offer price and full allocation details, is available to the market, namely in the prospectus or equivalent document and, subsequently, to potential investors should official listing not take place;
- (iii) the Applicant has taken adequate measures to ensure that sufficient information is made available to potential investors and other market participants regarding the consequences of a cancellation of the listing;
- (iv) until the Securities are issued and/or delivered, any publication issued or published by the Applicant in relation to the offering contains a statement that the Securities offered will first be admitted and traded on a If and When Issued/Delivered basis and the scheduled period of such admission to trading on a If and When Issued/Delivered basis;
- (v) a commitment from the Applicant that it will immediately inform the Relevant Euronext Market Undertaking of the completion of the issuance and/or delivery of the Securities;
- (vi) a commitment from the Applicant that it will immediately inform the Relevant Euronext Market Undertaking if it is not in a position to issue and/or deliver the Securities by the date expressed in the prospectus or any equivalent document as the expected date for completion of the offering;



- (vii) the Applicant has provided to the Relevant Euronext Market Undertaking confirmation of when allocation is due to take place and an indication of the expected trading price;
- (viii) if applicable, the Applicant has provided the Relevant Euronext Market Undertaking with the details of the stabilization agent and such other information regarding stabilization as the Relevant Euronext Market Undertaking may require

**6801/2** If the Securities admitted on a If and When Issued/Delivered basis are not issued and/or delivered by the date expressed in the prospectus or equivalent disclosure document as the expected date of completion of the offering, the offer may be withdrawn by the Applicant and subsequently, all Transactions made in such Securities shall be annulled. The Applicant shall ensure that the prospectus (or any equivalent disclosure document) issued in connection with the admission to trading of the relevant Securities will contain a warning to this effect.

The Relevant Euronext Market Undertaking and/or Euronext shall not be responsible or liable for any loss incurred by any person as a result of the withdrawal of the offer by the Applicant and/or the subsequent annulment of the relevant Transactions. The Applicant shall ensure that the prospectus (or equivalent disclosure document) issued in connection with the admission to trading of the relevant Securities shall contain a statement to that effect.

## 6.9. ADMINISTRATIVE MEASURES

### 6901 GENERAL

**6901/1** The Relevant Euronext Market Undertaking may take all such measures in respect of Financial Instruments admitted to trading on an Euronext Securities Market as it deems necessary to facilitate the fair, orderly and efficient operation of its markets. The Relevant Euronext Market Undertaking will inform the relevant Issuer on any measure taken by it as soon as practicable possible.

**6901/2** Subject to National Regulations, the Relevant Euronext Market Undertaking may, inter alia, take the following measures:

- (i) impose specific conditions upon the Issuer to ensure that the obligations imposed, and the requirements set pursuant to this Chapter 6, in any Notices or the Application Form are being complied with; and/or
- (ii) allocate a Security to a special compartment; and/or
- (iii) admit a Security with a special indicator; and/or
- (iv) issue a market notice informing the market that an Issuer does not comply with its obligations set forth in the Rules; and/or
- (v) suspend the trading of a Security; and/or
- (vi) remove the relevant Securities in accordance with Rule 6905; and/or
- (vii) determine the Market of Reference.

## 6902 MARKET CAPITALISATION COMPARTMENTS

**6902/1** [reserved]

## 6903 SPECIFIC COMPARTMENTS - RECOVERY BOX AND PENALTY BENCH

**6903/1** The purpose of allocating Securities to the Recovery Box is to group together Securities of Issuers that are subject to insolvency proceedings.

The purpose of allocating Securities to the Penalty Bench is to group together Securities of Issuers that do not comply with the Rules.

In the context of allocation of Securities of Issuers to the Recovery Box or the Penalty Bench the Relevant Euronext Market Undertaking will regularly examine the situation of Issuers.

**6903/2** The Relevant Euronext Market Undertaking may decide to include a Security to the Recovery Box if any of the insolvency proceedings specified in Council Regulation (EC No 1346/2000 of 29 May 2000, as amended from time to time (or analogous procedure as appropriate) has been declared applicable to the Issuer of such Security.

The allocation of the relevant Securities in the Recovery Box shall be terminated at the request of the Issuer or at the initiative of The Relevant Euronext Market Undertaking provided that an Issuer provides satisfactory evidence that the insolvency proceedings no longer apply to the Issuer.

**6903/3** The Relevant Euronext Market Undertaking may decide to include a Security to the Penalty Bench if the Issuer fails to comply with the Rules.

The allocation of the relevant Securities to the Penalty Bench shall be terminated at the request of the Issuer or at the initiative of The Relevant Euronext Market Undertaking provided that the Issuer has satisfied the requirements and conditions determined by the Relevant Euronext Market Undertaking – in its absolute discretion – for re-allocation of the relevant Securities to the normal compartment

**6903/4** The Relevant Euronext Market Undertaking may further specify the criteria and the procedures for the allocation of Securities to a special compartment (including the Recovery Box or the Penalty Bench) in one or more Notices.

## 6904 [RESERVED]

## 6905 REMOVAL

**6905/1** Subject to National Regulations, each Relevant Euronext Market Undertaking may remove Securities admitted to listing and/or trading on its markets:

- (i) at the request of the relevant Issuer; or
- (ii) on its own initiative as market operator or as competent authority in terms of listing, as the case maybe
- (iii) at the request of the competent authority pursuant to National Regulations.

Each Relevant Euronext Market Undertakings may remove Securities listed on its markets at its own

initiative on any appropriate grounds including (without limitation):

- a) manifest failure of the Issuer to comply with the obligations imposed and the requirements set pursuant to the Rules or the Application Form; or
- b) the legal entity that has issued the Securities shall cease to exist pursuant to a liquidation, merger, dissolution (or equivalent corporate event in any jurisdiction);
- c) the Issuer of the Securities has been declared bankrupt (or analogous procedure has been declared applicable in any jurisdiction); or
- d) without prejudice to Rule 4403/2, in the opinion of the Relevant Euronext Market Undertaking, facts or developments occur or have occurred with regard to a Security which prevent the continued listing of that Security or which cause the Relevant Euronext Market Undertaking to believe that a fair, orderly and efficient market for a Security cannot be maintained; or
- e) adequate clearing and/or settlement services for a type of Securities are no longer available; or
- f) the removal of the Shares or other Securities into which they are convertible or for which they are exchangeable, as the case may be; or
- g) facts or developments occur or have occurred in respect of an Issuer which in the opinion of the Relevant Euronext Market Undertaking is detrimental to the reputation of Euronext as a whole;
- h) the Issuer or its beneficial owners are on the EU Sanction List or the list drawn up by the Office of Foreign Assets Control (OFAC).

**6905/2** If the Relevant Euronext Market Undertaking decides to remove a Security pursuant to Rule 6905/1 (ii), the following procedure shall apply:

- (i) the Relevant Euronext Market Undertaking shall inform the Issuer of its intention to remove and give the Issuer the opportunity to respond before the relevant decision on the removal is made;
- (ii) the Relevant Euronext Market Undertaking shall determine the date on which removal of the Securities shall become effective;
- (iii) the Relevant Euronext Market Undertaking shall notify the Issuer in writing of the scheduled date of the removal;
- (iv) the Relevant Euronext Market Undertaking shall publish the date on which removal of the Securities shall become effective as well as the conditions of removal and any other relevant information concerning the removal;

On the date on which the removal of the Securities becomes effective the agreement between the relevant Issuer and the Relevant Euronext Market Undertaking (constituted by the Application Form) will be terminated without any further action being required.

**6905/3** If a request for removal of Securities is made by the Issuer pursuant to Rule 6905/1 (i), the following procedure shall apply:

- (i) the Issuer of the relevant Securities shall request the removal in writing and state the relevant

grounds for removal.

- (ii) subject to the relevant conditions for the removal of the Securities being satisfied, the Relevant Euronext Market Undertaking shall determine the date on which the removal of the Securities shall become effective.
- (iii) the Relevant Euronext Market Undertaking shall publish the date on which removal of the Securities shall become effective and other relevant information concerning the removal of the Securities.

The Relevant Euronext Market Undertaking may specify by Notice the conditions that should be satisfied in relation to a removal of Securities at the request of an Issuer.

**6905/4** Notwithstanding the above, the Relevant Euronext Market Undertaking may decide not to remove Securities upon the Issuer's request if such removal would adversely impact the fair, orderly and efficient functioning of the market.

**6905/5** The Relevant Euronext Market Undertaking may subject any removal of Securities to such additional requirements as it deems appropriate.

## 6906 APPEALS

**6906/1** An Issuer may appeal against the decision of the Relevant Euronext Market Undertaking to remove in accordance with National Regulations.

## 6.10. CONTINUING OBLIGATIONS

### 61001 GENERAL

#### 61001/1 Scope

Each Issuer must meet the obligations set forth in this Rule 6.10 as long as its Securities are admitted to trading.

The Relevant Euronext Market Undertaking may further detail those obligations in one or more Notices. For the avoidance of doubt, none of the obligations set out in this Rule 61001 shall exempt the Issuers from complying with the disclosure or reporting obligations pursuant to National Regulations and Union Law.

#### 61001/2 Fees

The Issuer shall promptly pay any fees charged by the Relevant Euronext Market Undertaking in accordance with the conditions established by the Relevant Euronext Market Undertakings and communicated to the Issuers.

### 61002 ADMISSION OF NEWLY-ISSUED SECURITIES OF THE SAME CLASS

**61002/1** When additional Securities of the same class as Securities already admitted to trading are issued, application for admission to trading of such additional Securities shall be made:

- (i) as soon as they are issued in the case of a public offering of Securities; and
- (ii) no later than ninety (90) days after their issue in cases other than a public offering.

### 61003 INVESTOR RELATIONS

#### 61003/1 Equal treatment

An Issuer shall treat holders Securities of the same class issued by it equally in accordance with National Regulations.

#### 61003/2 Information

An Issuer shall provide the market all necessary information to enable holders of its Securities to exercise their rights. This requirement includes, inter alia, the need to publish periodic financial information (including annual and half-yearly reports), audited where applicable, in a timely manner, in accordance with Union Law or National Regulations.

An Issuer shall communicate to the Relevant Euronext Market Undertaking all information which (i) may impact the fair, orderly and efficient functioning of the markets operated by the Relevant Euronext Market Undertakings or (ii) may modify the price of its Securities (ultimately) at the same time at which such information is made public.

The Relevant Euronext Market Undertaking may specify specific obligations regarding disclosure and reporting obligations.

### 61004 ADMINISTRATION OF CORPORATE AND SECURITIES EVENTS

**61004/1** Each Issuer shall inform the Relevant Euronext Market Undertaking of corporate or securities events in respect of its Securities admitted to trading in order to facilitate the fair, orderly and efficient functioning of the market. Issuers must comply with the disclosure and reporting obligations of corporate or securities events, pursuant to National Regulations.

The relevant information shall be provided to the Relevant Euronext Market Undertaking at least two (2) Trading Days in advance of the earlier of (i) the public announcement of the timetable for any such corporate or securities event or (ii) the corporate or securities event having effect on the market or the position of the holders of the relevant Securities.

At the request of the Relevant Euronext Market Undertaking, the relevant Issuer shall provide to the Relevant Euronext Market Undertaking the underlying legal and corporate documents relating to the corporate and securities events.

The Relevant Euronext Market Undertaking may further specify by Notice the details, documents and method of submission of the information and documents to be provided and submitted to it pursuant to this Rule 61004/1.

For the avoidance of doubt, any obligation for Issuers to provide documentation to the Relevant Euronext Market Undertaking as set forth in this Chapter 6 is for the sole purpose to allow the Relevant Euronext Market Undertaking to perform its functions and meet its responsibilities as the operator of a Regulated Market. In reviewing this documentation, the Relevant Euronext Market Undertaking solely performs controls on the technical information that allow the Relevant Euronext

Market Undertaking to operate the market, without prejudice to Rule 6107. None of the obligations exempts the Issuer from providing the same documentation to the Competent Authority.

**61004/2** The information referred to in Rule 61004/1 includes (without limitation):

- (i) amendments which affect the respective rights of different categories of Securities;
- (ii) any issue or subscription of Financial Instruments;
- (iii) any mandatory reorganization (e.g. stock split, reverse stock split, redemption in part or in whole of Securities);
- (iv) any voluntary reorganisation with or without option element (e.g. tender offer, rights offer, repurchase offer);
- (v) any securities distribution (e.g. stock dividend, bonus issue);
- (vi) any cash distribution (e.g. cash dividend);
- (vii) any announcement of coupons or cash dividend non-payment;
- (viii) any prospectus (or equivalent disclosure document) relating to public offerings;
- (ix) any reports on the status of liquidation and more generally any decision regarding any situation of (temporary) suspension of payments, bankruptcy or insolvency situation (or analogous procedure has been granted or declared applicable in any jurisdiction);
- (x) a name change of the Issuer; and
- (xi) the admission to trading on any Regulated Market or other organised market.

**61004/3** If the admission to trading concerns Depositary Receipts, warrants or other Securities entitling holders to acquire other Securities, the information mentioned in Rule 61004/1 includes (without limitation and in addition to the information referred to in Rule 61004/1):

- (i) corporate or securities events of the issuer of the Underlying Securities; and
- (ii) any adjustment or modification that the Issuer makes to the exercise condition of the warrant as a result of any change in or to the Underlying Securities including details of the underlying event that required the adjustment or modification.

**61004/4** If the admission to trading concerns Securities issued by a Closed-ended Investment Fund, the information mentioned in Rule 61004/1 that the management company of such Closed-ended Investment Fund shall provide to the Relevant Euronext Market Undertaking includes (without limitation and in addition to the information referred to in Rule 61004/1):

- (i) an announcement of any distribution;
- (ii) coupons being declared without value.

#### 61004A LEGAL ENTITY IDENTIFIER

**61004A/1** An Issuer shall take all necessary measures to have its LEI active for as long as its financial instruments are admitted to trading on a Euronext Securities Market.

#### 61005 COOPERATION WITH A EURONEXT MARKET UNDERTAKING

**61005/1** In dealing with Euronext, its directors, officers, employees, agents and representatives, Issuers shall act in an open and cooperative manner, be honest and truthful and not mislead or conceal any material matter.

**61005/2** In particular, without limiting the generality of Rule 61005/1, an Issuer shall:

- (i) provide full and prompt responses to all requests for information by Euronext in respect of business conducted on Euronext Markets or business related thereto, and
- (ii) notify the Relevant Euronext Market Undertaking promptly of any matter which may reasonably be expected to be a matter of concern to the Euronext Market Undertaking in the context of its relationship with such Issuer, including (without limitation) any corporate action or other event that may cause such Issuer to cease to be in compliance with the Rules. This duty of disclosure shall arise as soon as the Issuer becomes aware, or has reasonable grounds for believing, that such a matter has arisen or will arise.

# CHAPTER 7: [RESERVED]

Draft pending review



# **CHAPTER 8:**

# **RULES OF CONDUCT**

Draft pending regulation

### 8.1. GENERAL

#### 8101 SCOPE OF CHAPTER 8

**8101/1** This Chapter 8 sets forth rules of conduct specific to the Euronext Markets which the Members must observe when trading on such Markets.

#### 8102 GENERAL DUTIES OF INTEGRITY, FAIR DEALING AND CARE

**8102/1** When trading on the Euronext Markets, a Member shall:

- (i) observe high standards of integrity, market conduct and fair dealing;
- (ii) act with due skill, care and diligence; and
- (iii) refrain from any act or course of conduct which is likely to harm the reputation of Euronext or any Euronext Market.

**8102/2** A Member shall behave in a responsible manner when using a Euronext Trading Platform and associated facilities provided by a Euronext Market Undertaking and shall only use the Platform and these facilities when there is a legitimate need to do so.

**8102/3** A Member acting on behalf of Clients shall ensure that, pursuant to National Regulations, each such Client has been informed of the risk characteristics of the Financial Instruments concerned.

#### 8103 COOPERATION WITH A EURONEXT MARKET UNDERTAKING

**8103/1** In dealing with Euronext, its directors, officers, employees, agents and representatives, Members shall act in an open and cooperative manner, be honest and truthful and not mislead or conceal any material matter.

**8103/2** In particular, without limiting the generality of Rule 8103/1, a Member shall:

- (i) provide full and prompt responses to all requests for information by Euronext in respect of business conducted on Euronext Markets or business related thereto and provide access to all relevant books, records, audio logs and other forms of documentation, and
- (ii) notify the Relevant Euronext Market Undertaking promptly of any matter which may reasonably be expected to be a matter of concern to the Euronext Market Undertaking in the context of its relationship with such Member, including (without limitation) any corporate action or other event that may cause such Member to cease to be in compliance with the Rules. This duty of disclosure shall arise as soon as the Member becomes aware, or has reasonable grounds for believing, that such a matter has arisen or will arise.

#### 8104 NO ABUSIVE OR MISLEADING CONDUCT

**8104/1** In conducting business for itself or on behalf of its Clients, a Member must not engage in or attempt to engage in Insider Dealing or Market Manipulation and, in particular, must not engage in, knowingly facilitate or fail to take reasonable steps to prevent:

- (i) any action or any course of conduct that has the effect, or may be expected to have the effect, of artificially and/or abnormally moving the price or value of any Admitted Financial Instrument or any

instrument underlying an Admitted Financial Instrument or the level of any index of which an Admitted Financial Instrument is a component;

- (ii) entering artificial orders or otherwise entering into or causing any artificial Transaction;
- (iii) reporting a fictitious Transaction or any other false data to Euronext or causing such data to be input into any Euronext system;
- (iv) any action or any course of conduct that creates or may reasonably be expected to create any false or misleading impression as to the market in, or price or value of, any Admitted Financial Instrument or any other unfair trading conditions;
- (v) any other action or any other course of conduct that may damage the integrity and the transparency of any of the Euronext Markets; or
- (vi) agreeing or acting in concert with, or providing any assistance to, any Person (whether or not a Member) with a view to or in connection with any action or course of conduct referred to in paragraphs (i) to (v) inclusive of this Rule 8104 or otherwise causing or contributing to a breach of any applicable Rule by such other Person.

**8104/2** For the avoidance of doubt, a Member is responsible for all business conducted in its name, whether or not such business has been executed on behalf of a Client and whether or not such business has been input through the Member via an Automated Order Routing System or via Sponsored Access by such Client.

**8104/3** If a Member becomes aware of any action or course of conduct taken by a Client or by a Responsible Person or an individual trading through a Responsible Person which is or appears to be inconsistent with the requirements of this Rule 8104, it shall report it promptly to Euronext pursuant to Rule 8103. Each Member should ensure that it has adequate controls and procedures to identify activity by its Clients or by or through its Responsible Persons which might be inconsistent with the requirements of this Rule 8104.

### 8105 USE OF EURONEXT TRADING PLATFORMS

**8105/1** When using a Euronext Trading Platform and associated facilities, a Member is prohibited from engaging in practices which may cause degradation of the service or give rise to a disorderly market. Such practices include, but are not limited to, submitting unwarranted or excessive electronic messages or requests to a Euronext Trading Platform or using a Euronext Trading Platform for the purpose of testing any systems or controls.

### 8106 INTERNAL CONTROLS

**8106/1** A Member shall set up and maintain an appropriate system of internal controls, which ensures that the Member continuously complies with all requirements imposed by or pursuant to the Rules.

**8106/2** The system of internal controls shall contain internal procedures specific to the Member's capacity on the Euronext Markets. These procedures shall be documented and updated on a regular basis. Where a Member executes business on behalf of Clients it must have adequate controls and procedures to ensure that, as far as reasonably possible, such business complies with, inter alia, Rule 8104.

**8106/3** A Member's internal controls shall include pre- and post-trade risk management controls which are appropriate to the nature, scale and complexity of the Member's business on the Relevant Euronext Market Undertaking. For the avoidance of doubt this means that, inter alia, a Member shall ensure that it has appropriate arrangements in place:

- (i) to vet orders prior to their submission to the Central Order Book, irrespective of whether such orders have been submitted manually or electronically (including via an Automated Order Routing System or via Sponsored Access); and
- (ii) to monitor the positional and financial risks inherent in the business it conducts.

**8106/4** In respect of arrangements put in place by a Member pursuant to Rule 8106/3, the Member must be able to demonstrate to Euronext that the following monitoring requirements have been incorporated in the Member's risk control systems:

- (i) position limits;
- (ii) user definitions (i.e. the ability to define the individual user(s));
- (iii) product definitions (i.e. the ability to restrict access to particular Admitted Financial Instruments or groups of Admitted Financial Instruments);
- (iv) maximum order size per user; and
- (v) either automatic order rejection when a limit is exceeded or the order being held subject to manual override by an appropriately authorised risk manager.

**8106/5** Euronext may specify in Book II of the Rules or by Notice additional requirements in respect of pre-trade vetting and post-trade risk management for specific Euronext Markets and/or Admitted Financial Instruments.

**8106/6** A Member shall have adequate arrangements to ensure that all staff involved in the conduct of business on the Euronext Markets are suitable, adequately trained and properly supervised.

**8106/7** The Relevant Market Undertaking may make available to Members and Clearing Members facilities for pre- and post-trade risk management including arrangements which would allow a Clearing Member to suspend with immediate effect the access to the Euronext Trading Platform of a Member for which it clears or for a Member to suspend its own access. The conditions for the use of such facilities and arrangements shall be specified by Notice.

## 8.2. RESERVED

## 8.3. AUDIT TRAIL

### 8301 RECORDING OF ORDER DETAILS

**8301/1** A Member shall ensure that each order received from a Client is recorded and time-stamped immediately by a process other than handwriting. The order record must be time-stamped again on execution and also at the time of any amendment or cancellation of the order by the Client.

**8301/2** Order records may be maintained on order slips or by electronic means or by any other means specified by the Relevant Euronext Market Undertaking, providing that any such method of recording complies with the requirements of this Rule 8301.

**8301/3** Order records must contain the orders data listed in the annex of the Delegated Regulation (EU) 2017/580 and any additional information required by the Relevant Euronext Market Undertaking.

**8301/4** All order records, of whatever kind, must be:

- (i) robust, secure and not prone to alteration;
- (ii) made available:
- (iii) immediately on the day of the transaction; and
- (iv) within a reasonable period of time thereafter, where required by the Relevant Euronext Market Undertaking; and
- (v) presented in a manner which is easily decipherable by the Relevant Euronext Market Undertaking.

**8301/5** Members who employ electronic means to maintain order records must have suitable contingency procedures in the event of systems failure, which may include back up systems or recourse to a paper-based audit trail, such that no loss of audit trail data can occur.

### 8302 RETENTION OF INFORMATION

**8302/1** A Member shall maintain for a period of five years records of:

- (i) automatic screening parameters and modifications thereof as well as rejected orders, pursuant to Rule 8106/3;
- (ii) orders, arranged chronologically, pursuant to Rule 8301/1; and
- (iii) Transactions and, if applicable, the settlement thereof and the custody of Securities traded on the Euronext Markets.

All records maintained pursuant to this Rule 8302 shall be available for inspection by Euronext.

### 8303 VOICE RECORDING

- (i) In respect of Euronext Securities Markets, the Relevant Euronext Market Undertaking requires recordings to be made by or on behalf of the Member of conversations regarding Transactions made, or intended to be made, on the market which are conducted on telecommunications equipment of any kind located in a Member's premises. Any such recordings made pursuant to such requirements shall be retained by the Member for a period of six months for possible inspection by Euronext.
- (ii) In respect of Euronext Derivatives Markets, the Relevant Euronext Market Undertaking may specify in Book II of the Rules requirements in respect of recording by or on behalf of the Member of conversations regarding Transactions made, or intended to be made, on the market.

Draft pending regulatory approval

# **CHAPTER 9:**

# **MEASURES IN CASE OF VIOLATION OF THE RULES**

Draft pending for EoB

### 9.1. SCOPE OF CHAPTER 9

**9101** An alleged violation by a Member of an obligation of the Rules related to the operating of Euronext markets other than those operated by Oslo Børs and the markets operated by Borsa Italiana (an Alleged Violation) shall be dealt with in accordance with the provisions of this Chapter.

**9102** This Chapter is without prejudice to:

- (i) any action and/or measures that may be taken by Euronext based on any procedure laid down in another part of the Rules;
- (ii) the right to carry out on-site investigations on basis of Chapter 2;
- (iii) any provision of National Regulation concerning enforcement by the Competent Authorities.

**9103** Immediate measures

In case a violation of the Rules by a Member constitutes a threat to the fair, orderly and efficient functioning of the Euronext Markets, or upon instruction of the Competent Authority, Euronext may take immediate measures to protect the market, including suspension of all or some of a Member's trading rights.

### 9.2. PROCEDURE

#### 9201 EXAMINATION

**9201/1** For the examination of an Alleged Violation Euronext may:

- (i) require the Member to provide any information, copies of records and documents that may be relevant for the examination of Alleged Violation;
- (ii) send a representative to a Member's offices at any time during normal business hours in the country in which such offices are located, who may require immediate access, to all such information, records and documents kept by a Member that may be relevant for the examination of the Alleged Violation; and/or
- (iii) require any Member to procure the attendance of any of its directors, officers, employees, agents and representatives at a specified time and place, at either the offices of the Relevant Euronext Market Undertaking or those of the Member, in order to answer questions or provide explanations that may be relevant for the examination of the Alleged Violation.

#### 9202 CONFIDENTIALITY

Euronext shall use any information obtained pursuant to Rule 9201 exclusively for purposes and within the scope of this Chapter 9 and any related arbitration or court proceedings and shall not otherwise disclose such information except:

- (i) to the Competent Authorities or other public authorities having jurisdiction over the relevant matter;



- (ii) when otherwise required by applicable law and regulation; or
- (iii) pursuant to exchange-of-information arrangements with other exchanges or Clearing Organisations, provided that these arrangements are bound by an equivalent confidentiality undertaking.

### 9203 REPORT

**9203/1** When there is an Alleged Violation Euronext shall make a written report.

**9203/2** This report shall contain the findings of Euronext and a reference to the Rule allegedly breached by the relevant Member.

**9203/3** Euronext shall send this report upon completion to the relevant Member.

**9203/4** Euronext shall give the relevant Member an opportunity to present its response in writing within two weeks, unless otherwise specified, after receiving the report.

**9203/5** Any comments made by the Member shall be attached to said report.

### 9204 EXPLORATORY MEETING

**9204/1** Upon completion of the report and after receiving the written comments, if any, of the Member, Euronext shall, at either party's request, organize a meeting with the Member. This meeting will allow both parties to ask further questions and respond on an Alleged Violation.

**9204/2** The meeting will be held at the premises of the Relevant Euronext Market Undertaking or, if both parties agree, in another place.

**9204/3** In this meeting both parties may, at their own discretion, bring any representative, expert or other person. Each party shall ensure the confidentiality of the non-public information provided to such attendees and will be liable for breach of confidentiality by those present on their behalf, unless those attendees have a statutory obligation to disclose the information. Both parties shall have the possibility to deny the attendance of experts or other persons if they are able to prove that these persons are affected by conflicts of interest.

**9204/4** The number of persons attending a meeting for each party shall not exceed eight, unless agreed upon otherwise between Euronext and the Member.

**9204/5** Upon prior request of the Member, Euronext shall draft minutes of the said meeting to be signed by Euronext and the Member.

## 9.3. RECTIFICATION, SUSPENSION AND TERMINATION

**9301/1** If a Rule has been violated, Euronext may:

- (i) require the Member to fulfill its obligations under the Rules or require rectification towards Euronext of the violation by a Member of an obligation under the Rules within a term specified;
- (ii) either:

Euronext Rule Book – Book I: Harmonised Rules – draft 090223

This draft reflects the Rulebook that is planned to apply upon the Phase 1 of BITA migration to Optiq. It may evolve before the migration time and remains subject to regulatory approval

- a. require from the Member liquidated damages for the violation of the Rule, of a fixed amount between EUR 500 and EUR 250.000 according to a scale published in a Notice; or
  - b. claim any kind of compensation for actual damage caused to Euronext's interest as a commercial operation and as a Regulated Market or to the integrity or safety of its markets, if the damage is proven to be patently higher than the fixed amount under a). The claim shall be limited to direct damage except in case of willful misconduct or gross negligence;
- (iii) suspend some of the Member's trading or membership rights for no more than six months;
  - (iv) suspend for no more than six months the Member's Euronext Membership;
  - (v) terminate access to certain facilities;
  - (vi) terminate the Member's Euronext Membership; and/or
  - (vii) publish all or part of the decision taken by Euronext under this Rule.

**9301/2** The relevant Member shall be informed of the decision of the Relevant Euronext Market Undertaking by a letter sent by registered mail.

**9301/3** The Relevant Euronext Market Undertaking shall promptly inform the other Euronext Market Undertakings, the Members, the Clearing Organisation and parties with whom Euronext has concluded a cross-membership agreement of:

- (i) a suspension or termination of the Membership of any Member;
- (ii) the period of such suspension; and
- (iii) the decision of the Member to contest the decision before the competent court or an arbitration institution.

### 9.4. REPORTING AND PUBLICATION

#### 9401 REPORTING

**9401** Euronext shall:

- (i) report on the monitoring of Rule Book compliance and violations of the Rules to the Competent Authority on the basis of arrangements between Euronext and the Competent Authority;
- (ii) immediately notify the Competent Authority of a decision to suspend or to terminate a Member's trading or membership rights under Chapter 9;
- (iii) prepare and publish a general report on the application of Chapter 9 from time to time but at least once a year. If necessary to protect the integrity or the safety of the markets such report may disclose the identities of the Members involved.

### 9402 INFRINGEMENT OF NATIONAL REGULATIONS

If Euronext finds in the course of an examination of an Alleged Violation or on any other occasion serious indications of a possible infringement of National Regulations, it shall report the matter to the relevant Competent Authority as soon as possible.

### 9.5. LIABILITY AFTER MEMBERSHIP TERMINATION OR RESIGNATION

**9501** Termination or resignation of Euronext Membership is without prejudice to the right of Euronext to ask for evidence and to require financial compensation pursuant to Rule 9301/1 (ii) for damages caused by any violations of the Rules by a Member.



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