

# EURONEXT BLOCK TRADING MANUAL

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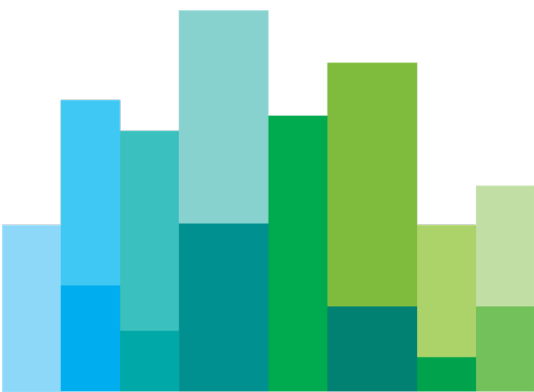


EURONEXT

# TABLE OF CONTENTS

<b>CHAPTER 1: GENERAL PROVISIONS.....</b>	<b>3</b>
1.1. Definitions .....	4
1.2. General .....	6
1.3. Specific Provisions .....	6
<b>CHAPTER 2: TRADING RULES FOR SECURITIES.....</b>	<b>7</b>
2.1. General .....	8
2101 Scope of chapter 2 .....	8
2102 Trading days .....	8
2103 Currency of trading .....	8
2104 System Rules and Requirements.....	8
2105 Member Responsibility .....	8
2.2. Orders .....	8
2201 Scope of Rule 2.2.....	8
2202 General Terms and Conditions.....	8
2203 Order Types and Parameters .....	9
2.3. Trading Cycle .....	11
2301 Overview .....	11
2302 Trading .....	11
2.4. Market Mechanisms .....	11
2401 Order Matching and Execution .....	11
2402 Trading Safeguards.....	12
2.5. Confirmation and Publication.....	12
2501 Confirmation .....	12
2502 Publication .....	12

# CHAPTER 1: GENERAL PROVISIONS



### 1.1. DEFINITIONS

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

**“Algorithmic Trading”:**

means trading as defined in article 4(1)(39) of MIFID;

**“Central Order Book”:**

the Euronext Block order book, in which all submitted orders and any modifications thereto are held until matched, expired or withdrawn;

**“Clearing Organisation”:**

The entity authorised and regulated as a “Central Counterparty” pursuant to EMIR and appointed by the Euronext Market Undertaking to clear Transactions as mentioned in Euronext Harmonised Rulebook.

**“Competent Authority”:**

the Belgian Financial Services and Markets Authority (“FSMA” hereafter) or any other public authority or self-regulatory body having jurisdiction from time to time over the relevant matter, as the case may be;

**“Exchange”:**

Euronext Brussels SA/NV;

**“Euronext Block”:**

a specific segment within Trading Facility, a MTF organized by Euronext Brussels SA/NV;

**“Euronext Harmonised Rulebook”:**

The Book I of common rules of Euronext markets applicable by reference to business conducted on Euronext Block where appropriate, when expressly specified in this Euronext Block Rule Book;

**“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 of Reference”:**

The trading venue on which the Security is admitted to trading. For a Security admitted to trading on several trading venues, the Market of Reference is the most liquid one;

**“MIFID”:**

the Directive of the European Parliament and of the Council on markets in financial instruments (EP & Council Directive 2014/65/EC);

**“MIFIR”:**

the Regulation of the European Parliament and of the Council on markets in financial instruments (EP & Council Regulation 600/2014/EU);

**“Notice”:**

any written communication, labelled as such and issued by the Exchange to Members generally or to any class of Members for the purpose of interpreting, implementing or supplementing the Rules or any other purpose contemplated in this Rule Book;

**“Person”:**

any individual, corporation, partnership, association, trust or entity as the context admits or requires;

**“RTS”:**

shall mean a regulatory technical standard adopted by the European Commission in accordance with Articles 10 to 14 of EP & Council Regulation 1095/2010/EU;

**“Rules”:**

the rules set forth in this Rule Book, as interpreted or implemented by Notices;

**“Security”:**

any transferable security having the nature of shares, depositary receipts, certificates or other similar financial instruments;

**“Short Code”:**

the code to be submitted by Members used on each order entry in order to minimise the information which has to circulate with the order and to ensure appropriate security standards of confidential information;

**“Trading Day”:**

any day on which Euronext Block is open for trading, as determined by the Exchange;

**“Transaction”:**

any purchase or sale of a Security on Euronext Block.

### 1.2. GENERAL

Chapter 1 of the Euronext Harmonised Rulebook is applicable by reference to business conducted on Euronext Block.

### 1.3. SPECIFIC PROVISIONS

**1301** For the purposes of these Rules and in particular the determination of reference prices, the Exchange may obtain pricing information in respect of a Market of Reference from third parties ("Data Providers"). Any pricing information obtained from Data Providers by the Exchange is obtained, used and provided on an "as is" basis. The Exchange makes no representations or warranties of any kind, either express or implied, with respect to the pricing information (or the results to be obtained by the use thereof). Without limiting the generality of the foregoing, the Exchange expressly disclaims any and all warranties of originality, accuracy, timeliness, completeness, non-infringement, merchantability and fitness for any particular purpose. In the event that any trade is executed with reference to erroneous pricing information, the Exchange shall work with any and all affected Members to cancel any and all affected trades.

# **CHAPTER 2:**

# **TRADING RULES FOR SECURITIES**

### 2.1. GENERAL

#### 2101 SCOPE OF CHAPTER 2

This Chapter 2 sets out the rules governing trading on Euronext Block, a dedicated segment within the Trading Facility, a MTF organized by Euronext Brussels SA/NV.

#### 2102 TRADING DAYS

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

#### 2103 CURRENCY OF TRADING

Orders for the purchase or sale of Securities shall be in the same currency as the currency on the Market of Reference (with a maximum of 4 decimal places).

#### 2104 SYSTEM RULES AND REQUIREMENTS

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

#### 2105 MEMBER RESPONSIBILITY

In respect of business conducted on Euronext Block or business related thereto, a Member shall be responsible for the acts and conduct of all individuals trading under its general authority as if the acts and conduct of each of those Persons were the acts and conduct of the Member. In particular, a Member shall be held responsible for a violation of a relevant obligation committed by any such Person and the Exchange may take measures under the Rules and relevant agreements, including the suspension or termination of Membership.

### 2.2. ORDERS

#### 2201 SCOPE OF RULE 2.2

This Rule 2.2 only concerns orders for the purchase or sale of Securities submitted by Members and shall not prevent specific arrangements regarding order specifications as between Members and their Clients.

#### 2202 GENERAL TERMS AND CONDITIONS

##### 2202/1 MINIMUM INDICATIONS

Any order submitted to Euronext Block trading system shall indicate the following elements:

- (i) the identification mode of the Security to which the order relates, according to the identification standards accepted by the Exchange, or the specific trading symbol assigned by the Exchange to such Security;
- (ii) whether the order is for a purchase or a sale;
- (iii) the order quantity;
- (iv) the order type according to possibilities provided in Rule 3203;



- (v) whether the order is for,
  - (a) the Member's own account and risk, or
  - (b) the account of a third party, including an affiliated party.

Members may also specify where appropriate, and consistent with the other order specifications:

- (vi) a limit price;
- (vii) special validity and execution indications as per Rule 3203/4;

Members must include the following information:

- (viii) client identification Short Code;
- (ix) investment decision within firm identification Short Code; and
- (x) execution within firm identification Short Code;

For each firm order as defined in Rule 2203, Members have to provide Euronext, via the Long Code, before the end of the trading day with all the data required by the Annex to Commission Delegated Regulation 2017/580/EU.

### 2202/2 MINIMUM AND MAXIMUM NOTIONAL VALUES

The minimum notional value of an order is set to the Large In Scale Trade notional value for the Security in question and the maximum notional value of an order is determined by the Exchange. Both values are published.

### 2202/3 DURATION

Orders entered into Euronext Block are only valid for that particular Trading Day, subject to special validity conditions permitted by Rule 2203/4.

### 2202/4 CORPORATE EVENTS

The Exchange will not mark a Security as “cum” or “ex” certain entitlements. Securities shall be traded and settled on the entitlement basis defined by the clearing and settlement facility rules in accordance with Market of Reference practices.

### 2202/4 MODIFICATION AND CANCELLATION

Any order entered into Euronext Block may be modified or cancelled prior to its execution. Order modifications may affect execution priority.

## 2203 ORDER TYPES AND PARAMETERS

### 2203/1 LIMIT ORDERS

Limit orders are buy or sell 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 EU delegated regulation 2017/588.

### 2203/2 PEGGED ORDERS

Pegged orders are buy or sell orders that are priced at a price determined by the Euronext Block trading system on the basis of the market conditions of the relevant Market of Reference for a given Security (subject to different execution conditions permitted by Rule 2203/4). Members must specify to which of the following reference prices the order is to be pegged:

- (i) “peg primary”, i.e. the best limit on the near side of the market;
- (ii) the mid-point of the best limits; or
- (iii) “peg market”, i.e. the best limit on the opposite side of the market;

In addition, Members may specify offsets to this peg instruction, which offsets are expressed in applicable tick size.

#### Limit Price

All pegged orders can include a limit price condition ensuring that they are priced at their specified price limit or at a better price.

Pegged orders can only be executed at this determined price, including specified offsets and price limit, or at a better price. If breached, the limit price will cause the pegging to temporarily stop as long as the current reference price is more aggressive than this limit price.

### 2203/3 CONDITIONAL AND FIRM ORDERS

All orders can be either firm or conditional. A firm order is one which is available to participate in an auction. To be available for matching, a conditional order needs to be replaced by the Member once it has been notified to the Member that a potential match has been found in the Central Order Book.

### 2203/4 SPECIAL VALIDITY AND EXECUTION CONDITIONS

Certain types of orders may be made subject to the following validity and execution conditions in accordance with the combination possibilities of order types and validity and execution conditions as specified by the Exchange:

#### Time In Force

Only “GTD” orders are available: “GTD” (“Good Till Day”) are orders which are good for the day.

#### Minimum Acceptable Quantity (MAQ)

Members have the option to enter an MAQ on a Euronext Block order. MAQ means, that orders are executed only if a specified minimum quantity is available in aggregate over any opposite orders for matching. If executed the MAQ will be reassigned in tranches throughout the whole life of the order. When an MAQ order is partially filled, if the remaining quantity is lower than the initial MAQ, the MAQ will be reset to the remaining order quantity.

#### Minimum Execution Size (MES)

MES means that orders are executed only if at least one opposite order with the specified minimum quantity is available for matching. If executed the MES will be reassigned in tranches throughout the whole life of the order. When an MES order is partially filled, if the remaining quantity is lower than the initial MES, the MES will be reset to the remaining order quantity.

### 2.3. TRADING CYCLE

#### 2301 OVERVIEW

Trading is available on Euronext Block throughout the continuous opening hours of the relevant Market of Reference. Euronext Block Securities shall be traded through matching of orders at opposite sides in randomised auctions.

#### 2302 TRADING

##### 2302/1 MAIN TRADING SESSION

The Euronext Block trading system runs a Central Order Book for each listed Security. Each Central Order Book is scanned for potential matches throughout the Trading Day.

If a potential match is found, a firm up process is immediately started. New conditional orders received after the firm up process has started will not be able to participate in the upcoming auction process but will be held in the Central Order Book and are therefore taken into consideration for potential matches once the auction process has ended.

The relevant conditional order(s) will be cancelled by the Exchange and the Member(s) who submitted the conditional order(s) will be notified via an automated message from the Euronext Block trading system of the need to submit a firm order within a specified period, the firm up period. After the firm up period has ended, an auction process is immediately started. All received firm orders eligible pursuant to Rule 2202/2, including firm orders part of the original potential match, will participate in this auction process.

The auction will take place at a randomised moment during the auction process subject to a maximum allowable time as specified by the Exchange. Any new firm order eligible pursuant to Rule 2202/2 that is received before the auction has started can participate in the auction. Any received eligible firm order may also be cancelled or amended up until the moment the auction has started.

### 2.4. MARKET MECHANISMS

#### 2401 ORDER MATCHING AND EXECUTION

##### 2302/1 PRICE DETERMINATION

The auction starts by pricing all participating orders as described in section 2203.

The auction pricing model will subsequently calculate a crossing price that will maximize the number of Securities matched. If there is an overlap of such prices, the model will default to the price that is closest to, or including, the midpoint price of the best limits from the Market of Reference.

Allocation of matched Securities is done on a size/time priority basis.

Where the calculated allocation of matched Securities to one or more orders is less than the specified MAQ or MES of those orders, the auction pricing model and allocation of matched Securities is re-run until an allocation is established that satisfies all MAQ or MES requirements.

### 2402 TRADING SAFEGUARDS

#### 2402/1 TRADING SUSPENSIONS

The Exchange may suspend trading in any Security in order to prevent or halt disorderly market conditions, on its own initiative and at its sole discretion.

In particular, without prejudice to requests for suspension by the FSMA the Exchange may suspend trading when the Security is suspended for regulatory reasons on the Market of Reference.

#### 2402/2 ORDER REJECTION

Pursuant to Rule 2202/2, the trading system shall reject any order of an amount above 100 million euros or its equivalent in another currency.

#### 2402/3 MATCHING PREVENTION

The system shall not match orders if the resulting price deviates by more than 5 % of the mid-point of the best limits of the Market of Reference.

#### 2402/4 TRADE CANCELLATION

The Exchange may cancel trades in the following circumstances:

- (i) At the request of a Member;
- (ii) Under the Exchange's authority.

Cancellations in respect of paragraphs (i) and (ii) shall be undertaken in accordance with the provisions of Euronext Notice 4-02 ("Order withdrawal and trade cancellation").

For the avoidance of doubt, the Exchange's actions are limited to the trades to be cancelled and shall not extend to the consequences of trade cancellations on any subsequent or preceding Transactions.

## 2.5. CONFIRMATION AND PUBLICATION

### 2501 CONFIRMATION

Euronext Block shall acknowledge orders accepted in its system and reject those orders that are not eligible pursuant to these Rules.

Euronext Block shall send a confirmation of execution to the relevant counterparts upon full or partial execution of any order. This shall state the unfilled order quantity, if any, and also execution price details.

### 2502 PUBLICATION

**2502/1** For the purposes of this Rule 2502/1, "publication" shall be construed as dissemination to Members, Affiliates with whom Members have granted direct access with the consent of the Relevant Euronext Market Undertaking, eligible information vendors and other Persons which have entered into a Euronext market databases distribution agreement.

#### 2502/2 PRE-TRADE TRANSPARENCY

Pursuant to Rule 2202/2, the minimum notional order value shall be set at the Large in Scale Trade

level established pursuant to EU delegated regulation 2017/587. Failing this, the order shall be rejected by the trading system. The check of such value is performed upon each new order entry, it being understood that any order modification by the Member shall be treated as new entry. In the event of partial execution, the balance of orders remains available for subsequent execution even if such balance has fallen below the Large in Scale Trade level, provided that such balance is not subsequently amended by the member in respect of the price or execution conditions (in which case it will be treated as a new order and subject to amount test and possible rejection).

Accordingly, all orders accepted by Euronext Block shall qualify for the waiver of pre-trade transparency requirements in accordance with Article 4 of MIFIR and Euronext Block shall not display any characteristics of incoming or outstanding orders, neither for shares nor for other types of Securities.

### **2502/3 POST-TRADE TRANSPARENCY**

All Transactions are made public pursuant to EU delegated regulation 2017/587, except that the maximum delay for Transactions eligible to deferred publication is limited to end of day.

### **2502/4 USE OF MARKET DATA BY EURONEXT BLOCK MEMBERS**

The use of market data by a Member is governed by the market data distribution agreement to be entered into with the Exchange, where appropriate.



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