

POST-TRADE CONFIRMATION SYSTEM (PTCS)

Service Description Document

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EURONEXT SECURITIES

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1. General overview

This document provides clients with comprehensive details regarding the functionalities of the Post-Trade Confirmation System (PTCS). In this context, the term "client" refers to any actor that has a direct relationship with Euronext Securities (i.e. Executing Party, Receiving Party, Account Operator or Settlement Agent).

PTCS is a post-trade confirmation platform that is specifically designed to facilitate the settlement process for both OTC cash orders with settlement on T+2, and orders made through the Deferred Settlement Service (DSS) through which settlement can be deferred on a monthly basis.

PTCS performs two main functions:

	Function	Description
1	Post-trade confirmation of market transactions	Once a transaction is executed, the executing party sends a "transaction notice" to PTCS (buy and sell orders). The Receiving Party then sends a confirmation/refusal notice to communicate its agreement or refusal of the transactions. The settlement can then be finalised in T2S via the CSD, Euronext Securities Milan.
2	Generation of Settlement Instructions	If the transaction notice is accepted, PTCS automatically generates a Delivery versus Payment / Receive versus Payment (DVP/RVP) already matched settlement instruction between the executing party's account or its representative at the CSD, and the intermediary or its representative at the CSD.

Five key elements of the PTCS solution include:

	Element	Description
1	Proprietary messaging formats	Utilises proprietary message standards internally to the PTCS platform (MT510, MT502, etc.).
2	Standardised messaging formats	Utilises the ISO 20022 standards for settlement in T2S to ensure compatibility and interoperability across systems and participants.

2	Integration with Deferred Settlement Service (DSS)	Supports specialised trading features, such as deferred settlement, tailored for retail Receiving Parties.
3	Plug-and-Play integration	Ensures the solution can be deployed across Receiving Parties and Executing Parties without requiring additional development, enabling rapid adoption and minimising implementation barriers.
4	Alignment with wider market infrastructure	Leverages existing interfaces and processes (e.g., T2S, ESES) to ensure continuity and reliability in the settlement lifecycle.

2. Transaction types

As previously anticipated, PTCS is able to handle both:

1. **Cash orders**, with settlement on T+2, and
2. **Deferred Settlement (DSS) orders** at the end of the month, for which client can require postponement to the end of month.

Cash Orders

Orders for which cash settlement is required must be settled no later than two business days after the trade date. These transactions are identified by the following transaction types:

- AC – security buy to be settled on the trade date + 2 (T+2)
- VC – security sell to be settled on the trade date + 2 (T+2)

Deferred Settlement Service

Deferred Settlement Service (DSS) allows investors, under certain conditions, to buy and sell the same security several times during a trading month, while settling only the net balance (liquidation period balance) at the end of the period.

DSS transactions are only possible on a limited number of securities that have Euronext Paris as the market of reference. Euronext Paris provides an annual list of eligible securities, which may be adjusted throughout the year with additions or removals. PTCS will replicate any changes accordingly.

In the referential data shown in the application, there is a list of ISINs admitted in PTCS. If an ISIN is identified in the field **DSS eligible** with the corresponding Start/End Date, this security can be traded as a DSS transaction from the users.

A DSS transaction is traded during the trading month and is settled on the last business day of the calendar month (L+3), as explained below:

- the last business day of a trading month is L (Liquidation Day)
- the trading month begins two business days before the last day of the calendar month (L+1), and ends on the third business day before the last day of the next calendar month
- the first business day of a trading month is L+1 (postponement day).

Standard transactions are traded until L. They are received throughout the trading month and are settled on the last business day of the month (L+3) regardless of the settlement date noted in the transaction notice.

Any trade beginning from L+1 corresponds to the new trading month and is settled the month after.

Standard transactions are identified as follows:

- **ARM** – DSS buy
- **VRM** – DSS sel.

Postponement of transactions

Postponement is a mechanism that allows the principal (the Party initiating the trade) to postpone the settlement of the trade to the next liquidation period. It involves two distinct transactions, and therefore entails the sending of two transaction notices:

- pending settlement – this transaction closes the liquidation period balance for the month (opposite sign of the original transaction). It has a trade date equal to L+1 and is settled on L+3.
- next month settlement – this transaction postpones the liquidation period balance to the following month. It is settled on the last day of the following month.

Postponement transactions are identified as follows:

- **RPA** – closure of previous DSS buy position before the rollover of a position
- **RPV** – closure of previous DSS sell position before the rollover of a position
- **ARP** – opening of new DSS buy position on the next month, following the rollover of a position
- **VRP** – opening of new DSS sell position on the next month, following the rollover of a position.

3. Process flow

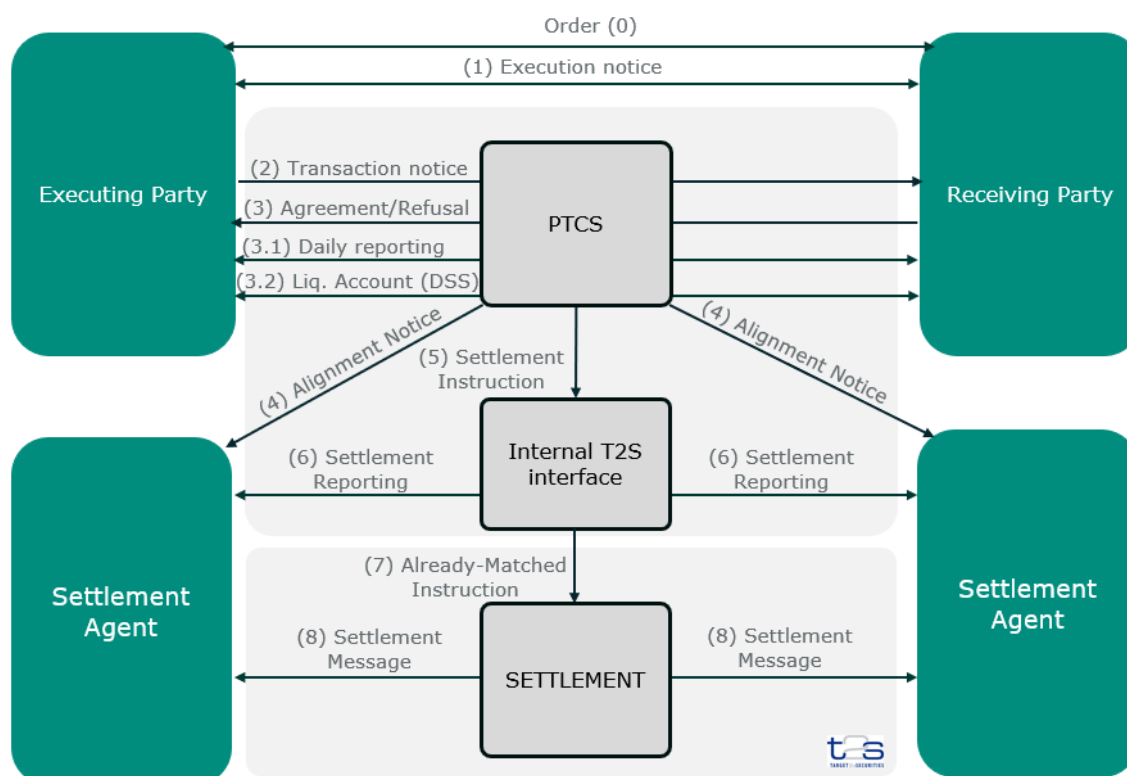
The model below provides more details on the functionalities of the PTCS platform, ensuring compatibility with existing processes and standards while enabling post-trade transactions across infrastructures. Each numbered interaction in the diagram is detailed in the table below, illustrating the roles of executing parties, receiving parties, and account operator/settlement agent in the end-to-end settlement workflow.

Ref	Business Process	Actors	Trigger	Description
0	Order Placement	Receiving Party Executing Party	Order placement	The Receiving Party reviews the transaction notice sent by the Executing Party via PTCS and sends either an agreement or refusal message to confirm or reject the transaction. If no action is taken by the Receiving Party before the Intended Settlement Date, a default refusal is applied by PTCS.
1	Execution notice	Receiving Party Executing Party	Execution of a trade on the market	PTCS generates a daily report summarising all agreed or refused transactions and sends it to the Executing Party and Receiving Party for their records.
2	Transaction notice	PTCS Receiving Party Executing Party	Receipt of an execution notice	Daily the DSS liquidation position will be sent through the statement message MT553, to the different participants (brokers and Custodians). In the liquidation statement only accepted trades will be considered, in fact refused trades should not be considered nor in the liquidation statement nor in the liquidation account
3	Agreement / Refusal	PTCS Receiving Party Executing Party	Receipt of transaction notice from PTCS	The Receiving Party reviews the transaction notice sent by the Executing Party via PTCS and sends either an agreement or refusal message to confirm or reject the transaction. If no action is taken by the Receiving Party before the Intended Settlement Date, a default refusal is applied by PTCS.

Ref	Business Process	Actors	Trigger	Description
3.1	Daily reporting	PTCS Receiving Party Executing Party	Agreement or refusal processing	PTCS generates a daily report summarising all agreed or refused transactions and sends it to the Executing Party and Receiving Party for their records.
3.2	Liquidation Account Statement (DSS)	PTCS Receiving Party Executing Party	Agreement processing	Daily the DSS liquidation position will be sent through the statement message MT553, to the different participants (brokers and Custodians). In the liquidation statement only accepted trades will be considered, in fact refused trades should not be considered nor in the liquidation statement nor in the liquidation account
4	Alignment notice	PTCS Settlement Agent	Agreement of the transaction by Receiving party	On receiving the Receiving Party's agreement, PTCS generates an alignment notice to notify the Settlement Agent about the agreed transaction.
5	Settlement Instruction	PTCS Euronext Securities Milan interface	PTCS Euronext Securities Milan interface	PTCS platform transfers a Settlement message with all the necessary elements for creating the ISO 20022 sese.023 message to the Euronext Securities Milan interface for instruction.
6	Settlement Reporting	XTRM Account Operator/settlement agent	Reception of settlement information from XTRM	The sese.023 is routed to XTRM and clients receive information from this application.

Ref	Business Process	Actors	Trigger	Description
7	Already-Matched Instruction	PTCS Settlement (T2S)	Settlement reporting sent	Transmission by PTCS of an ISO 20022 sese.023 "Already Matched" instruction, for settlement
8	Settlement message	Settlement (T2S) Account Operator/Settlement Agent	Already Matched instruction delivered	Transmission by T2S of ISO 20022 sese.024 messages for validation statuses

Process flow of PTCS platform:



4. Standards and market practices

The processes described in this document comply, unless deviations are explicitly stated, with the standards and market practices defined by:

- the Securities Market Practice Group (SMPG)
- the Corporate Actions Subgroup (CASG)
- the Shareholders Rights Directive (EU)2017/828
- the SCoRE and CAJWG¹ standards on corporate events.

The CASG standards pertaining to corporate events are applicable to transaction management and their implementation within T2S markets.

¹ Now covered in the Corporate Event Joint Working Group (CEJWG)

The SCoRE Standards, defined by the ECB, are designed to streamline the exchange of information related to corporate events and meetings among various actors connected to the ECMS platform.

These standards encompass all transactions involving both listed and non-listed financial instruments. This includes financial instruments eligible for settlement in T2S, as well as those in line with the direct links established with Euronext Securities.

5. Actors involved in PTCS processing

The actors below are involved in the PTCS process:

Actor	Role
Executing Party	<p>An Executing Party is an investment service provider and is not necessarily a member of a CSD.</p> <p>An Executing Party can be a PTCS Party if it benefits from one of the following authorisations, as defined by the MiFID Directive:</p> <ul style="list-style-type: none"> ▪ execution of orders on behalf of clients ▪ dealing on its own account ▪ reception and transmission of orders in relation to one or more financial instruments. <p>An Executing Party that is a member of a Euronext market (Amsterdam, Brussels and/or Paris), or of any MiFID-eligible trading venue, can subscribe to PTCS, provided that it benefits from one of the authorisations above.</p> <p>In PTCS, the Executing Party uses either its Euronext member code or a specific code allocated by Euronext Securities Milan.</p> <p>Executing Parties can subscribe to PTCS as either a direct Party or an indirect Party:</p> <ul style="list-style-type: none"> ▪ Direct Party – an Executing Party that settles its PTCS transactions on its own account with the CSD ▪ Indirect Party – an Executing Party that settles its PTCS transactions on the CSD account of its Settlement Agent
Receiving Party	<p>A Receiving Party is a member institution of one of the CSDs, and manager of its own order book.</p> <p>The intermediary participates in PTCS on the following basis:</p> <ul style="list-style-type: none"> ▪ Direct Party: a Receiving Party that settles its PTCS transactions on its own account in one of the CSDs ▪ Indirect Party: a Receiving Party that settles its PTCS transactions on the CSD account of its Settlement Agent

Actor	Role
Settlement Agent	<p>A Settlement Agent:</p> <ul style="list-style-type: none"> ▪ is a Party to a CSD that settles PTCS transactions on behalf of Executing Parties or Receiving Parties (indirect Parties), via a power of attorney ▪ has a securities account in the CSD where positions of the indirect Parties are held. <p>A Settlement Agent can also act on its own account. In this case, it is referred to as a Direct Party and it can use PTCS for its own transactions and the T2S platform for its own securities account</p>
Receiving and Executing Party	<p>These Parties are both Executing and Receiving Parties that can send and receive transaction notices.</p> <p>A Receiving and Executing Party is a direct Party in PTCS, and settles its transactions on its own securities accounts in the CSD.</p>
Euronext Securities	Designates one or more Euronext Central Securities Depositories

6. Nature of transactions

A transaction notice can have one of three transaction natures, as determined by the value in the 'Transaction nature' field.

- **"C"** Classical (ordinary) transaction:
 - Confirms the nature of the execution notice in detail and definitively
 - Automatically generates settlement instructions
 - If sent or received by an indirect Party, generates the alignment notice for the settlement agent
- **"S"** transaction without settlement, so that the process ends at transaction notice level and PTCS needs only to archive it (for cash orders only):
 - Confirms the nature of execution notice in detail and definitively
 - Does not generate settlement instructions, either because the security is not eligible for settlement, or by choice of the parties
 - If sent or received by an indirect Party, and the indirect Party specified an settlement agent in its message (transaction notice S, or confirmation of a transaction notice S), PTCS sends an alignment notice to the settlement agent so that he can prepare settlement
- **"D"** transaction free of payment (for cash orders only):
 - the currency is not accepted in T2S (as non-EUR)
 - settlement instructions include only securities and no cash information.

7. Eligible financial instruments

Only equities and ETFs admitted for trading on Euronext Paris are eligible for PTCS. All other securities will be rejected.

8. Eligible currencies

The only currency admitted in PTCS is EUR. As a result any transaction notices that are sent with a currency code other than EUR are rejected.

9. Timeline

The PTCS matching process involves:

1. an Executing Party sending a transaction notice to an intermediary
2. a Receiving Party giving its acceptance or refusal of the transaction notice.

Cash orders

For transactions on securities that require cash settlement, settlement occurs:

- two days after the trade date (T+2), if the transaction notice is sent on the trade date or the next day
- the day after the sending date, for transaction notices showing a sent date later than T+1.

In all circumstances, the matching (confirmation or refusal by the Receiving Party) must take place no later than the evening preceding the settlement date, otherwise a forced refusal confirmation is obtained.

DSS orders

As described in the section **Deferred Settlement Service orders**, the settlement of DSS transactions occurs on the last business day of the calendar month (L+3).

Note: DSS transactions can only be processed via Classical transaction notices (paragraph 7 - Nature of Transaction "C").

Transaction notices relating to these transactions can be sent to PTCS throughout the trading month and beyond. Although in theory these transactions should be settled on the last day of the month, the transaction notices shows an 'input' settlement date that is the same as for an equivalent cash market transaction (Postponement transaction).

As with cash transactions, PTCS generates a forced refusal confirmation on the evening preceding the 'input' settlement date on the transaction notice, if the intermediary does not respond.

If a confirmation is processed by PTCS before the corresponding transaction notice is processed, the confirmation is recycled for 2 business days.

If a refusal is processed by PTCS before the transaction notice is processed, the refusal is recycled for a maximum of 2 business days.

T2S deadlines

On a daily basis, the PTCS transmits to T2S the sese.023 messages that will be partially retrieved from the AO messages, and mainly from Referential Data maintained in PTCS. A unique settlement instruction will be generated with the status "already matched" for both legs. This rule applies for both intra-CSD and cross-CSD settlements.

Settlement instruction sese.023 are sent from PTCS as a unique message, sent to T2S and subject to T2S cut-off. Any orders sent after the applicable cut-off time will be postponed and recycled during the next T2S business day, in particular:

- Orders with cash movement that are correctly processed on PTCS before 15:55 CET will be sent to T2S after 16:00 CET, so will be processed on the platform during the Night Time Settlement (NTS) cycle
- Orders without cash movement that are correctly processed on PTCS before 17:55 CET will be sent to T2S after 18:00 CET, so will be processed on the platform during the NTS cycle.

10. Corporate actions management

Corporate action management on stock and/or flows is described in the following section.

Cash orders

PTCS sends confirmed cash trades for settlement on the same day they are matched. The T2S platform then processes market claims for these transactions, ensuring that PTCS is not affected by the market claim and transformation mechanisms for cash orders.

Corporate actions on cash orders are managed according to the standards outlined in the Euronext Securities Milan services. For further details, please refer to the Euronext Securities Milan Service Description Document.

Market claims or transformations are automatically processed for classical transactions confirmed on PTCS. Transactions that have not settled do not undergo market claims or transformation processing.

DSS orders

For DSS transactions (ARM, VRM, RPA, RPV, ARP, VRP), the situation is different: PTCS must manage any eligible corporate actions that occur between the transaction date and settlement date.

Only mandatory corporate action events (CAEV) are in scope for PTCS, thus voluntary (CHOS or VOLU) ones are discarded from PTCS. In the eligible corporate action (CA) notifications the value has to be filled with 22F:CAMV/MAND.

Please find the following list of CA event that PTCS manages at the liquidity account level:

- Capital Distribution (CAPD) - MAND cash distribution
- Cash Dividend (DVCA) - MAND cash distribution
- Shares Premium Dividend (SHPR) - MAND cash Distribution
- Bonus Issue (BONU) - MAND securities Distribution
- Scrip Dividend (DVSC) MAND securities Distribution
- Stock Dividend (DVSE) MAND securities Distribution
- Intermediate securities distribution (RHDI) MAND securities Distribution
- Pari-Passu (PARI) MAND Reorganisation

Corporate action events occur on all the eligible types of securities (equities and ETFs) and are handled the same way for equities as for ETFs.

11. Settlement instructions management

The settlement of PTCS transactions takes place on T2S platform.

PTCS sends confirmed transaction notices with settlement relating to cash orders to the T2S platform on the same evening. They are presented for gross settlement on the settlement date.

PTCS sends confirmed transaction notices relating to DSS orders to the T2S platform on the evening preceding the settlement date of the liquidation period (the last business day of the month). Prior to the settlement date, to reduce the number of transactions for settlement, PTCS operates bilateral netting of transactions for each security, between all counterparty pairs. PTCS then makes the netted transactions available to the T2S platform.

To optimise settlement, PTCS transactions are automatically split on the T2S platform.

Transaction notices without settlement are not passed to the settlement system, which means that, parallel to, or further to their transmission, the counterparts (or their settlement agent) must instruct the corresponding settlement operations, either on the Euronext platform, or in another system.

12. Connectivity

To be given access to PTCS, users should send a request to Euronext Business Operations at the following address: CSD.Onboarding@euronext.com

13. Points of contact and contingency

All enquiries regarding PTCS should be addressed to:

CSD.Onboarding@euronext.com

14. Glossary

Below is a definition of terms used in the document. If not otherwise specified:

- All times used in this document are in Central European Time (CET);
- 'We', 'our' and 'us' refer to Euronext Securities.

Terms	Definitions
A2A	Application to Application: the interface that allows a user to interact with a software application through the use of graphical elements (e.g., windows, menus, buttons and icons) on a computer screen, using the keyboard and mouse, etc.
AC	Acronym for French term "achat au comptant": a security buy to be settled on the trade date + 2
ARM	Acronym for French term "achat au service à règlement différé": a deferred settlement buy trade.
ARP	Acronym for French term "achat reporté (report là-bas)": opening of a new Deferred Settlement Service buy position for the next month, following the rollover of a position
Bonus issue (BONU)	Bonus or capitalisation issue. Security holders receive additional assets free of payment from the issuer, in proportion to their holding.
Capital distribution (CAPD)	The corporate event pays shareholders an amount in cash issued from the capital account. There is no reduction to the face value of a single share (or the share has no par value). The number of circulating shares remains unchanged.
Cash dividend (DVCA)	Distribution of cash to shareholders, in proportion to their equity holding. Ordinary dividends are recurring and regular. Shareholder must take cash and may be offered a choice of currency.
Cash orders	Orders made by an executing party on ISINs that are in the scope of the PTCS service, but are not eligible for the Deferred Settlement Service (DSS). They are settled on T+2
Corporate action	An event initiated by a public company that brings or could bring an actual change to the securities issued by the company. Corporate actions are typically approved by the company's board of directors and authorised by the shareholders
DSS	Deferred Settlement Service, used to identify orders that are done by an executing party on an ISIN eligible for the DSS service. The settlement is expected at end of month on L+2
Elective event	Elective events are a type of corporate action where shareholders have the option to choose among different courses of action. These events allow shareholders to make decisions based on their preferences or investment strategies. Examples of elective events include: Dividend Reinvestment Plans (DRIPs), Rights Issues, Tender Offers, Exchange Offers
EOD	End of Day
EOM	End of Month
Ex-date	Date from which the Underlying Security is traded without the attached benefit/right to participate in a corporate event

Terms	Definitions
FOP	Free of Payment: a delivery of securities free of payment, i.e., which is not linked to a corresponding transfer of funds
ICP	Indirectly Connected Party: party with an indirect connection to the T2S platform
ISD	Intended Settlement Date. This date corresponds to: <ul style="list-style-type: none"> for Transaction Notices for immediate settlement, this is the Settlement Date entered in the Transaction Notice; for Transaction Notices for DSS (Deferred Settlement Service), this is the last open date in the month.
Intermediate security distribution (RHDI)	The distribution of intermediate securities that gives the holder the right to take part in a future event.
Liquidation day (L)	Liquidation Day (L) is the last business day of a trading month
Market claim	A market claim is a process in the securities market that occurs when there is a discrepancy between the entitlement of securities or cash and the actual holdings due to a corporate action. This usually happens when a corporate action, such as a dividend payment or stock split, is announced, but the securities have been traded and settled in the market before the entitlement is distributed
Mandatory event	Mandatory events are corporate actions that affect all shareholders in a company, and participation is not optional. Shareholders do not have a choice in whether or not to participate, as these events automatically apply to all shares. Examples of mandatory events include: Cash Dividends, Stock Splits, M&A, Spin-Offs
NTS	Night Time Settlement
Payment date	Date on which a payment related to a corporate action is due
Pari passu (PARI)	Occurs when securities with different characteristics, for example, shares with different entitlements to dividend or voting rights, become identical in all respects, for example, pari-passu or assimilation. May be scheduled in advance, for example, shares resulting from a bonus may become fungible after a pre-set period of time, or may result from outside events, for example, merger, reorganisation, issue of supplementary tranches, etc.
PFOD	Payment Free of Delivery: a payment which is not linked to a corresponding movement of securities
PSET	Place of Settlement
PTCS	Post-Trade Confirmation System (also the name of the Euronext tool providing this service)
Record-date	Date/time at which positions are finalised at the end of the day to determine which parties are entitled to receive proceeds in a corporate event
RPA	Acronym for French term "report d'achat (report ici)": the closure of previous DSS buy position before the rollover of a position
RPV	Acronym for French term "report de vente (report ici)": the closure of previous DSS sell position before the rollover of a position

Terms	Definitions
Scrip dividend (DVSC)	Dividend or interest paid in the form of scrip.
Share premium dividend (SHPR)	This corporate event pays shareholders an amount in cash issued from the shares premium reserve. It is similar to a dividend but with different tax implications.
Stock dividend (DVSE)	Dividend paid to shareholders in the form of equities of the issuing corporation.
T2S	TARGET2-Securities
VC	Acronym for French term "vente au comptant": a security sell to be settled on the trade date +2 (T+2)
VRM	Acronym for French term "vente au service à règlement différé": a deferred settlement sell trade
VRP	Acronym for French term "vente reportée (report là-bas)": the opening of new deferred settlement sell position on the next month, following the rollover of a position.
XTRM	it means the daily trade-checking service of which transactions having financial instruments as their subject are sent to the settlement service operated by Euronext Securities Milan. or foreign settlement services.

15. Annex

Messages sent by a Party to PTCS

Message	Message name	Description
MT510	Transaction notice	Details of a stock exchange transaction addressed by an Executing Party to an intermediary
MT502	Confirmation	PTCS confirmation of a transaction notice transmitted by an intermediary to an Executing Party Note: PTCS confirmations are not required for 'pre-accepted' transaction notices
MT503	Refusal	Refusal of a transaction notice issued by an intermediary to an Executing Party Note: Refusals are not required for 'pre-accepted' transaction notices

Messages sent by PTCS to a Party

Message	Message name	Description
MT541	Alignment notice to the account operator/settlement agent of an Executing Party/Indirect Party	Informs the Account Operator/Settlement Agent of the confirmation, explicit or forced, of a transaction notice sent by the Executing Party/indirect Party for which it ensures settlement
MT551	Forced refusal	Transmitted by PTCS to each Party (Executing Party and intermediary) in the event of processing transaction notices that have not been answered (forced procedure), and that do not follow the standard calendar
MT552	Alignment notice to the account operator/settlement agent of an intermediary/indirect Party	Informs an account operator/settlement agent that one of its intermediaries (indirect Party) has confirmed a transaction, and that the corresponding movement is presented to the T2S platform for booking on its securities and cash accounts
MT553	Liquidation account statement	This statement provides a daily net securities and cash balance for DSS orders, as from the first day of liquidation. This net balance is calculated by: <ul style="list-style-type: none"> • security • pair of Parties • pair of sub-accounts

Message	Message name	Description
		<ul style="list-style-type: none"> • pair of collateral indicators • pair of account natures • currency • quantity unit • theoretical settlement date <p>It considers corporate actions (market claims)</p> <p>The liquidation account statement is sent to the two parties concerned (Executing Party and intermediary) after each business day.</p>
MT584	PTCS daily report	A daily report of the transactions carried out by a Party during the day. This message is transmitted by PTCS to each Party even if this Party did not exchange any information during the day
MT595	Error message	This message informs the Party that its previously sent message (transaction notice, confirmation or refusal) was not recognised as valid by the platform



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