

# General Conditions Part II

## 1 – Definitions

- 1.1** Capitalized terms used in these General Conditions Part II shall be understood, unless indicated otherwise, to have the same meaning as the definitions contained in the General Conditions Part I and in the Annexes.
- 1.2** In this part of the General Conditions, the term:
- **“Guaranteed Market”**: indicates the market (or segment thereof) relating to the Section identified by the option(s) provided in the Request for Services.
  - **“Clearing and Guarantee Service”**: indicates the service performed by Euronext Clearing as central counterparty in relation to contracts traded in each Guaranteed Market specified in the agreements between Euronext Clearing and the Management Company.
- 1.3** The provisions of the following articles are applicable consistently with the rules of the Management Company of the Guaranteed Markets and Euronext Clearing.

## 2 – Purpose of the Clearing and Guarantee Service for the General Clearing Member

- 2.1** From the moment that the Contract indicated in the Request for Services becomes fully effective pursuant to paragraph 2.5 of the General Conditions Part I, Euronext Clearing undertakes to succeed, according to the provisions of the Annexes, to the Positions assumed from that moment on the reference Guaranteed Market, in relation to the types of contracts for which the Clearing and Guarantee Service operates, by the General Clearing Member. The types of contract indicated above are made available by the methods of communication indicated at paragraph 6.2 of the General Conditions Part I. The General Clearing Member remains bound, including vis-à-vis Euronext Clearing as administrator of the System, by all the provisions of the agreements that it has concluded with the Trading Client communicated to Euronext Clearing. Euronext Clearing, from the time of effectiveness of such agreements, is entitled to perform credit or debit transactions arising therefrom in accordance with the provisions of the Annexes.
- 2.2** With respect to the Fixed Income Sections, the Transfer Orders are executed for the contracts provided for therein only, concluded with an operator that, with respect to that Section, is a Member of the central counterparty guarantee system managed by Euronext Clearing, or member of a guarantee system managed by a Special Clearing Member.

## 3 – Purpose of the Clearing and Guarantee Service for Individual Clearing Member

- 3.1** From the moment that the Contract indicated in the Request for Services becomes fully effective pursuant to paragraph 2.5 of the General Conditions Part I, Euronext Clearing succeeds, according

to the provisions of the Annexes, to the Positions assumed from that moment by the Individual Clearing Member on the Guaranteed Market of reference, in relation to the types of contracts for which the Clearing and Guarantee Service operates. The types of contracts indicated above are made available by the methods of communication indicated at paragraph 6.2 of the General Conditions Part I.

- 3.2** With respect to the Fixed Income Sections, the Transfer Orders are executed for the contracts provided for therein only, concluded with an operator that, with respect to that Section, is a Member of the central counterparty guarantee system managed by Euronext Clearing, or member of a guarantee system managed by a Special Clearing Member.

#### **4 – Purpose of the Clearing and Guarantee Service for the Trading Client admitted to *MOT Market, Euronext Access Milan and Hi-MTF of the Fixed Income Sections* (the “Retail Markets”)**

- 4.1** From the moment that the Contract indicated in the Request for Services becomes fully effective pursuant to paragraph 2.5 of the General Conditions Part I, the Trading Client admitted to the Retail Markets may use, for the Guaranteed Market of reference, the services of the System as provided in the Annexes. Consequently, the General Clearing Member and Euronext Clearing succeed to the Positions assumed on the Guaranteed Market from that moment by the Trading Client admitted to the Retail Markets, in relation to the types of contracts for which the Clearing and Guarantee Service operates. The types of contract indicated above are made available by means of communication as indicated at paragraph 6.2 of the General Conditions Part I.
- 4.2** The Positions registered with Euronext Clearing in the name of the General Clearing Member and which relate to the Trading Client admitted to the Retail Markets shall be understood as exclusively belonging to the legal relationships existing between Euronext Clearing and the General Clearing Member. Therefore, the Trading Client admitted to the Retail Markets may not make any claim against Euronext Clearing or assert any power over the said Positions or over the said accounts, as such registrations do not give rise to any relationship between the Trading Client admitted to the Retail Markets and Euronext Clearing.
- 4.3** The Trading Client admitted to the Retail Markets remains bound, including vis-à-vis Euronext Clearing as administrator of the System, by all the provisions of the agreements that it has concluded with the General Clearing Member and communicated to Euronext Clearing. Euronext Clearing, from the time of effectiveness of such agreements, is entitled to perform credit or debit transactions arising therefrom in accordance with the provisions of the Annexes.
- 4.4** With respect to the Retail Markets, the Transfer Orders are executed for the contracts provided for therein only, concluded in exchange with an operator that, with respect to that Section, is a Member of the central counterparty guarantee system managed by Euronext Clearing, or member of a guarantee system managed by a Special Clearing Member.

## **5 - Obligations of the Customer of the Clearing and Guarantee Service**

**5.1** From the moment that the Contract indicated in the Request for Services becomes fully effective pursuant to paragraph 2.5 of the General Conditions Part I and of the Regulations, a Customer who is a Clearing Member is bound to settle with Euronext Clearing, either directly or through a Settlement Agent, the Margins on Positions registered in the accounts in their name and, where provided, payments to the Default Fund and other due amounts, according to the options duly chosen by the Clearing Member – including the Central Bank Guarantee in the cases established by the Annexes - and within the deadlines and according to methods established by Euronext Clearing and communicated pursuant to Article 6 of the General Conditions Part 1.

**5.2** The Customer acknowledges and accept that Euronext Clearing is authorized to make transfers and/or to liquidate Positions on the Guaranteed Market in the specific cases provided for in the Annexes. The Customer, acting as guarantor vis-à-vis Euronext Clearing, shall include appropriate clauses in the contracts with its customers that authorise the Customer to accept the procedures indicated in the said Annexes in relation to the transfer and settlement on the Guaranteed Market of Positions registered in the account structure including where relevant, in sub-accounts as permitted under the Regulations.

**5.3** Without prejudice to the provisions of Article 8 of the General Conditions Part I, the Customer remains obligated to Euronext Clearing to introduce specific safeguard clauses in contracts with its customers which provide that the said customers are required to raise any claim, directly or indirectly connected with the relationship established with the Customer, exclusively against the Customer itself.

**5.4** By appropriate agreement between Euronext Clearing and the relevant Management Company, the clauses of the General Conditions and the Annexes shall be extended, without prejudice to the right of withdrawal pursuant to Article 11 of the General Conditions Part I, to new markets (or segments), or new financial instruments traded on Guaranteed Markets and included in the section of which the Customer is a member. Euronext Clearing will inform Customers of the signing of such agreements by the methods of communication indicated at paragraph 6.2 of the General Conditions Part I.

**5.5** Where the Customer is a Clearing Member guaranteeing the Positions of a Trading Client admitted to the Markets, the Clearing Member shall submit to Euronext Clearing a Power of Attorney allowing such Trading Client to perform all the necessary operations provided under the aforementioned provisions of the Article "Technological Infrastructure" on its behalf, including granting such Trading Client all the necessary powers, rights and authorisations to exchange data.

## **6 - Suspension of the effects of the Customer's withdrawal from the Clearing and guarantee service**

**6.1** The Customer is bound to close all the Positions registered in the accounts corresponding to it by the date of effect of the withdrawal indicated in the relevant notice.

**6.2** In the event that the Customer does not comply with the provisions of paragraph 1 above, the withdrawal shall have effect from the expiry of the Positions still existing on the said date and before the effectiveness of the withdrawal, only the effects expressly provided for in the Regulations shall be produced.

## **7 - Suspension from execution of the Clearing and guarantee service, its termination and default procedures**

**7.1** The execution of the Clearing and guarantee service with respect to the Customer may be totally or partially suspended by Euronext Clearing, as indicated in the Regulations, including with respect to the effects of any such suspension.

**7.2** Euronext Clearing may exclude Customers from the clearing and guarantee system in application of the provisions of Article 12 of the General Conditions Part I, and, more specifically, of the Regulations, with the effects provided for therein.

**7.3** In cases of exclusion, the provisions of Article B.2.2.5 of the Regulations shall apply.

## **8 - Technological Infrastructure**

**8.1** The Clearing and Guarantee Service includes, inter alia, the provision of the Technological Infrastructure selected by the Customer and governed according to the provisions of the Annexes. Euronext Clearing arranges the sending of the codes, the relevant passwords and, where provided, the electronic files containing the instructions for obtaining the digital certificate by electronic means. Euronext Clearing also provides technical-operational assistance to enable the Customer to connect its hardware and software equipment to the Technological Infrastructure provided by Euronext Clearing in accordance with the provisions of the Annexes.

**8.2** The Technological Infrastructure enables the Customer to exchange data and information with Euronext Clearing and send and receive orders and instructions relating to the Clearing and guarantee system using distance communication means. For the avoidance of any doubt, in case of non-availability of, or any defect in the Technological Infrastructure, Euronext Clearing undertakes to make reasonable efforts to remedy the issue and will be responsible towards the Customer according to the General Conditions – Part I.

**8.3** Euronext Clearing continuously records contracts between Euronext Clearing and the Customer. These recordings provide proof of transactions carried out by the Customers, and any other communication sent over the Technological Infrastructure. The Technological Infrastructure therefore enables the Parties to acquire durable evidence of all information, requests and instructions exchanged using the Technological Infrastructure.

**8.4** The Customer is also bound to take all necessary measures to prevent unauthorised use of the Technological Infrastructure.

## **9 - Intellectual and/or industrial property rights**

- 9.1** The trademarks belonging to Cassa di Compensazione e Garanzia, including: Euronext Clearing, BCS, ICWS, MARS, MoVE, FIRE and Cloud2Clear are the property of Cassa di Compensazione e Garanzia or the Euronext Group. The said trademarks and any other trademarks owned by the companies of the Euronext Group cannot be used without the prior written consent of the relevant company that is the owner of the trademark.
- 9.2** The Technological Infrastructure, the layout and content of the Euronext Clearing's website and the Clearing and guarantee service, (including, by way of example, all the data, information, communications, editorial content, software, photographs, videos, graphics, music, designs, sounds, procedures for acquisition and management of data and in general any material and service present therein, where not indicated otherwise), are the exclusive property of the company indicated in the sites themselves and are protected under applicable copyright law (and any other relevant intellectual property law).

## **10 - Fiscal Rules**

- 10.1** According to the FATCA rules and to the Directive 2014/107/EU, as implemented by the Italian D.M. of the 28th December 2015, which requires the financial administrations of any EU Member State to send automatically and yearly the fiscal information, based on the OCSE Common Reporting Standard (CRS), the Customer is also required to send to Euronext Clearing the specific form, attached to the Contract, duly filed and signed.

## **11 - Business continuity**

- 11.1** Euronext Clearing shall perform its obligations with all due care and professional diligence and shall take all appropriate measures on its systems to ensure the continuity of the Service pursuant to its business continuity plan, drafted in accordance with the specific guidelines issued by its competent supervisory authorities and approved on an annual basis by such authorities, it being understood that Euronext Clearing shall remain responsible for the correct operation of its business continuity plan in order to manage the different stress case scenarios included therein.

Euronext Clearing's business continuity plan takes into account different stress case scenarios based at least on the following risk factors:

- destruction or inaccessibility of structures where operational units or critical equipment are located;
- unavailability of critical information systems;
- unavailability of essential staff for the operation of business processes;
- interruption of the infrastructures' operations (including electricity, telecommunications networks, interbank networks, financial markets);
- alteration or loss of data and critical documents.

**11.2** In case the Services are interrupted, suspended or delayed in whole or in part, Euronext Clearing – to the extent possible and subject to prior notice to the Customer, if deemed necessary – shall take all appropriate remedial actions in connection with the relevant issues, according to the business continuity plan, a copy of which is published on Euronext Clearing's website.

**11.3** Euronext Clearing shall communicate the names of its emergency contacts to the Customer.

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