

# **Euronext Derivatives Markets: Trading Procedures**

Publication date: 26 June 2026  
Effective date: 29 June 2026

Department: Group Regulation  
Euronext, Beursplein 5, PO Box 19163, 1000 GD Amsterdam, The Netherlands  
[www.euronext.com](http://www.euronext.com)

## TABLE OF CONTENTS

### **PART ONE Harmonised Provisions**

#### **Section 1 GENERAL**

- 1.1 Introduction
- 1.2 Definitions
- 1.3 Compliance with the Rules and conduct
- 1.4 [Removed]

#### **Section 2 THE OPERATION OF THE EURONEXT TRADING PLATFORM**

- 2.1 Price, Volume & Value limits
- 2.2 Settlement prices – Futures Contracts
- 2.3 Settlement prices – Options Contracts
- 2.4 Interruption of a trading session and subsequent resumption

#### **Section 3 ON ORDER BOOK TRANSACTIONS**

- 3.1 [Deleted]
- 3.2 Entering orders and making acceptances
- 3.3 Making of trades
- 3.4 Cross Transactions
- 3.5 Trade cancellations
- 3.6 Strategy trades
- 3.7 Delta neutral strategy trades
- 3.8 Stock Contingent Trades
- 3.9 [Reserved]
- 3.10 Trade at Index Close Facility

#### **Section 4 OFF ORDER BOOK TRANSACTIONS**

- 4.1 Transactions negotiated outside the Central Order Book
- 4.2 EFS and EOO
- 4.3 [Deleted]
- 4.4 Against Actuals
- 4.5 Large-in-Scale Trades

---

**Annexe One Trading Arrangements**

**Annexe Two Recognised Strategies**

**Annexe Three Trading Algorithms**

**Annexe Four Exchange Desk (special provisions applicable in respect of order management and trade registration)**

**Annexe Five Special Provisions for Power Futures Contracts**

## **PART ONE**

### **SECTION 1 – GENERAL**

#### **1.1 Introduction**

1.1.1 These Trading Procedures are issued pursuant to Rule 5106 and apply in respect of all Exchange Contracts. In relation to the derivatives regulated markets operated by Borsa Italiana, the provisions of these Trading Procedures apply when they have been incorporated by reference or replicated in the rules of such trading venues.

1.1.2. These Trading Procedures have the same status with regard to enforceability as the Rule.

1.1.3 Nothing contained in these Trading Procedures overrides any term (expressed or implied) of the Rules and, in the case of any conflict between any provision of these Trading Procedures and the Rules, the Rules will prevail.

1.1.4 The following rules of construction apply to these Trading Procedures:

- (a) expressions referred to in writing must be construed as including references to printing, lithography, photography and other modes of representing or reproducing words or data in a visible form;
- (b) any words importing the singular number include, where the context permits, the plural number and vice versa. Any words importing the masculine gender include the feminine gender and, where the context permits or requires, a partnership or an incorporated company; and
- (c) the headings in these Trading Procedures are for convenience only and do not affect the construction of these Trading Procedures.

#### **1.2 Definitions**

The following provisions apply to, or should be noted in connection with, the interpretation of these Trading Procedures:

- (a) references herein to Trading Procedures should be construed as references to the Trading Procedures which comprise this document;
- (b) a term defined in the Rules has the same meaning in these Trading Procedures; and

- (c) certain terms which appear in these Trading Procedures but which do not appear in the Rules are defined in Trading Procedure 1.2.1.

1.2.1 In these Trading Procedures, unless otherwise expressly stated:

“Against Actuals”	a Transaction negotiated and executed pursuant to Trading Procedure 4.4;
“Call Phase”	the period immediately prior to Market Open, beginning at a time specified by the Relevant Euronext Market Undertaking, during which Members may log on to the trading platform and submit, amend and withdraw orders, but no trading can occur;
Exchange for Swap (EFS)	“Exchange for Swap or EFS”: a facility enabling the parties to an OTC swap or option transaction to exchange their respective OTC positions with the appropriate number of futures contracts in the terms of an Exchange Contract;
Exchange of Options for Options (EOO)	“Exchange of Options for Options or EOO”: a facility enabling the parties to an OTC option transaction to exchange their respective OTC positions with the appropriate number of options contracts in the terms of an Exchange Contract;
“Equity Option Contract”	an Exchange Contract the subject of which is either an equity share or an index of equity share prices;
“Euronext Derivatives Market”	any market, including any Regulated Market, for Derivatives operated by any Euronext Market Undertaking defined in the Euronext Rulebook;
“Euronext Trading Procedures”	this document, comprising the sections and headings listed in the Table of Contents included herein;

“Exceptional Market Condition”	as described in article 3 of commission delegated regulation with regard to regulatory technical standards specifying the requirements on market making agreements and schemes. Exceptional circumstances do not include any regular or pre-planned information events that may affect the fair value of a financial instrument due to changes in the perception of market risk, whether occurring during or outside trading hours. The obligation for investment firms to provide liquidity on a regular and predictable basis shall not apply during exceptional circumstances;
“Exchange Contract”	a Derivative which is an Admitted Financial Instrument;
“Fair Value”	in relation to any Large-in-Scale Trade price entered into by a Member, a price which is considered by the Member to be the best available for a trade of that kind and size. When determining a Large-in-Scale Trade price, a Member should, in particular, take into account the prevailing price and volume currently available in the relevant Central Order Book, the liquidity of the Central Order Book and general market conditions, but is not obliged to obtain prices from other Members, unless this would be appropriate in the circumstances;
“Fast Market”	in respect of a particular Exchange Contract, a period declared as such by Market Services during which dynamic collars are widened or suspended and Market Makers and Liquidity Providers may be relieved of some or all of their obligations or be required to meet relaxed obligations, as the case may be;
“Index Option Contract”	as the context requires, either an Equity Option Contract which is an option on an index of equity share prices or a contract in the terms of such Contract;
“Instrument”	the product on which an order book is open, including strategies;
“ISDA”	the International Swaps and Derivatives Association;

“Large-in-Scale Facility”	<p>the facility established by the Relevant Euronext Market Undertaking pursuant to the Rules in relation to the trading of Large-in-Scale Trades in accordance with these Trading Procedures.</p> <p>Which includes submission of a Large-in-Scale Trade involving one or more legs and/or more than one counterparty using one single entry identifier, namely the Transaction ID;</p>
“Large-in-Scale Trade Contracts”	those Exchange Contracts designated by the Relevant Euronext Market Undertaking as contracts that may be traded as a Large-in-Scale Trade pursuant to these Trading Procedures;
“Large-in-Scale Trade Executing Member”	the Member, or where the Large-in-Scale Trade has been negotiated between two Members, the Member(s) submitting Large-in-Scale Trade details to the Relevant Euronext Market Undertaking;
“Market Close”	the time specified by the Relevant Euronext Market Undertaking for the cessation of trading in contracts on the Euronext Trading Platform on that Trading Day;
“Market Services”	the Relevant Euronext Market Undertaking’s facilities for monitoring and regulating the conduct of business by its Members on the Euronext Trading Platform;
“Minimum volume thresholds”	the thresholds as determined by the Relevant Euronext Market Undertaking and published from time to time being the minimum number of lots in respect of each Large-in-Scale Trade Contract;
“Orders”	bids or offers, as the case may be;
“Stressed Market Condition”	significant short-term changes of price and volume and the resumption of trading after volatility interruptions;

“Trading at index close (TAIC)” a trade consisting of setting the futures contract price by reference to the prospective market closing conditions of the underlying instrument, i.e. by adding the basis level negotiated to the closing value of the underlying instrument when the latter is finally known;

“Trade Registration” the Clearing System or the Trade Registration System, as the case may be.

### **1.3 Compliance with the Rules and conduct**

1.3.1 A Member must, in respect of business conducted on, or submitted through, Euronext Trading Platform:

- (a) implement suitable security measures such that only those individuals explicitly authorised to trade by the Member may gain access to passwords and security keys; and
- (b) ensure that any trading access granted to individuals (whether staff of the Member or otherwise), for example by way of order routing systems, is adequately controlled and supervised including appropriate checks before orders are submitted to the matching engine.

1.3.2 A Member is responsible for the use of any Algorithmic Trading Model in respect of business conducted on, or submitted through, Euronext Trading Platform. In particular, notwithstanding the Relevant Euronext Market Undertaking’s own obligations (as described in Rule 1.5A), any adverse effect on the fair, orderly and efficient operation of the market arising from the use of such a Model shall be the responsibility of the Member and sanctions may be imposed under the Rules.

1.3.3 Members and Responsible Persons must ensure that, when negotiating and executing a Client order they comply fully with the obligations imposed by Chapter 8 of the Rules (“Rules of Conduct”) and, in particular:

- (a) they act with due skill, care and diligence; and
- (b) the interests of the Client or Clients, as the case may be, are not prejudiced.

### **1.4 [Removed]**

## SECTION 2 – THE OPERATION OF THE EURONEXT TRADING PLATFORM

### 2.1 Price, Volume & Value limits

2.1.1 Throughout each trading session and during the Call Phase, dynamic collars will be calculated to define the spread of acceptable prices for trading a given Instrument. Such collars can be expressed in number of ticks or percentage where appropriate and shall apply around a reference price determined for each Instrument order book, the dynamic collar reference price (hereafter “DCRP”). The DCRP is subject to updates throughout the trading day, according to rules described below.

2.1.2 The DCRP is calculated according to the principles below:

- for Call Phase and uncrossing purposes, one of the following methods:
  - (a) the last official closing price or failing this the last daily settlement price;
  - (b) “fair value”.
- for continuous trading, one of the following methods:
  - (a) “future market price”, for futures contracts only;
  - (b) “fair value”;
  - (c) a combination of “fair value” and mid-BBO (best bid and offer)

2.1.3 In respect of the “future market price” method, a DCRP is established for the most actively traded (“blue”) contract maturity and, for all other contract maturities, the DCRP is derived from outright and implied spread relationships with the blue maturity DCRP.

2.1.4 In respect of the “fair value” method, as far as futures contracts are concerned, the DCRP generally results from the price of the underlying plus the cost of carry for each contract maturity as calculated by the Relevant Euronext Market Undertaking. The fair value method may notably be used for futures contracts where there is limited central order book activity.

2.1.5 In respect of the “fair value” method, as far as options contracts are concerned, the DCRP for each Instrument results from the fair value pricing.

2.1.6 “fair value” and mid-BBO methods may be combined to apply alternatively during a trading session so as to use mid-BBO as the DCRP only when the BBO is below a minimum spread and resort alternatively to the “fair value” if it is not the case.

2.1.7 Subject to Trading Procedure 2.1.9, attempts to trade outside the prevailing dynamic collars will be blocked by the matching engine in the following ways:

- immediate rejection of entering orders outside prevailing dynamic collars; or
- if the potential order matching outside prevailing dynamic collars results from the presence in the order book of outstanding orders previously accepted under former dynamic collars, reservation of trading.

The matching engine will send a message to the Member to inform him of the rejection.

2.1.8 The permitted spreads for dynamic collars for each Instrument will be determined from time to time by the Relevant Euronext Market Undertaking. Such spreads may be adjusted to reflect market conditions with the objective of preventing the execution of any orders submitted to the matching engine with manifest pricing errors and/or at unrepresentative price levels. In particular, a spiking mechanism shall apply when large price movements successively occur in the same direction over a short time period with the effect of making a potential price move outside the future spike protection spread, in which case (i) either the acceptable spread for computing dynamic collars shall be fixed on the side where such price movements took place so as to curb any new price movements in the same direction (mechanism called “Future Spike Protection”) ; or (ii) trading will be reserved as defined in Trading Procedure 2.4 with attempts to resume continuous trading by uncrossing (mechanism called “Future Limit Interruption Protection”).

2.1.8A For certain futures contracts, static collars shall be applicable. The static reference price for the blue maturity during the Call Phase is the last official closing price or failing this the last daily settlement price. Following the Call Phase, the static reference price is updated to become the opening uncrossing price, if any, or the DCRP value at opening. The reference prices for the other maturities are calculated as defined in Trading Procedure 2.1.3. Trading shall be reserved as defined in Trading Procedure 2.4 if orders can potentially match outside such static collars.

2.1.9 In response to volatile market conditions, Market Services may, at its discretion, remove the restriction on the entry of orders or matching possibility outside the prevailing dynamic or static, where appropriate, collars.

2.1.10 Dynamic and static collar spreads, maximum volume limits and the details of the various DCRP calculation methods are published on the

Euronext website or made available in standing data files where appropriate.

- 2.1.11 Volume limits will apply for each individual contract. Attempts to trade or, during the Call Phase where applicable, to enter orders, above the prevailing volume limits in the relevant contract will be rejected by the matching engine. The matching engine will send a message to the Member to inform him of the rejection.
- 2.1.12 Market Services may as a temporary measure, at its discretion and upon request from the member concerned, remove the restriction on the entry of orders above the prevailing volume limits.
- 2.1.13 Value limits will block orders with abnormally high notional values from entering the order book. The maximum order value will be calculated as follows: Maximum Value = Maximum Price \* Maximum Volume.

## **2.2 Settlement prices – Futures Contracts**

- 2.2.1 The Daily Settlement Price for Futures Contracts is calculated using one of the following two methods:
  - (a) Central Order Book price method (described in Trading Procedures 2.2.2-2.2.3); or
  - (b) official closing price method (described in Trading Procedure 2.2.4).

The method used to establish the Daily Settlement Price for each Futures Contract is indicated in Annexe One.

- 2.2.2 In respect of the Central Order Book price method, the Settlement System in Market Services will be used to calculate the Daily Settlement Price by taking a feed of reported prices for a period of no less than two minutes before the time specified for the settlement of a contract, as notified by the Relevant Euronext Market Undertaking. This period is known as the “Settlement Range”. However, the Relevant Euronext Market Undertaking will also monitor market activity throughout the Trading Day to ensure that settlement prices are a fair reflection of the market.
- 2.2.3 The Settlement Range will be used to monitor spread levels. Thereafter, the following criteria will be taken into account, as applicable:
  - (a) the traded price during the last minute of the Settlement Range; or, if there is more than one traded price during this time:
  - (b) the trade weighted average of the prices traded during the last minute of the Settlement Range, rounded to the nearest tick; or, if there are no traded prices during this time:

- (c) the price midway between the active bids and offers at the time the settlement price is calculated, rounded to the nearest tick; and
- (d) fair value calculation determined by the Relevant Euronext Market Undertaking.

Where a trade weighted average or a midway price between active bids and offers results in a price which is not a whole tick, the rounding convention that will apply in respect of (b) and (c) above will be in accordance with that set out in the relevant contract specifications.

In addition, the following criteria are monitored in Market Services and may be taken into account, as applicable:

- (a) price levels as indicated by spread quotations;
- (b) spread relationships with other contract maturities of the same contract; and
- (c) price levels and/or spread relationships in a related market.

- 2.2.4 In respect of the official closing price method, which shall be used for such stock futures and index futures as may be specified in Annexe One, the Daily Settlement Price shall be determined by a fair value calculation using the official daily closing price of the company security or the index of such securities (as the case may be) established by the Relevant Stock Exchange. Where such official daily closing price is not available, the Relevant Euronext Market Undertaking shall determine the Daily Settlement Price, at their absolute discretion, on the basis of a fair value calculation which is consistent with cash market values of the shares the subject of such Contract.
- 2.2.5 Settlement prices will be displayed on the Euronext Trading Platform and for a minimum period of five minutes thereafter, the Relevant Euronext Market Undertaking may deem it necessary to amend the settlement prices to ensure they are a fair reflection of the market.
- 2.2.6 When the Relevant Euronext Market Undertaking is satisfied that the settlement prices are appropriate in respect of a particular contract, the revised settlement prices will be displayed and for a minimum period of three minutes thereafter any further appropriate revisions will be displayed accordingly.
- 2.2.7 The prices established by the procedure set out in this Trading Procedure 2.2 will be transmitted to the Clearing Organisation. In the event that the Clearing Organisation considers that prices do not correctly reflect the true value of contracts in the terms of Futures Contracts within the market, the Relevant Euronext Market Undertaking may amend prices as appropriate.
- 2.2.8 Settlement prices will be displayed on the Euronext Trading Platform or any such other means of communication as the Relevant Euronext Market Undertaking sees fit.

2.2.9 Where the settlement price of a contract available for trading on the Euronext Trading Platform is calculated during the course of the trading session for that contract, the Relevant Euronext Market Undertaking will additionally post the official closing price for each contract maturity at Market Close.

## **2.3 Settlement prices – Options Contracts**

2.3.1 The Relevant Euronext Market Undertaking's objective when determining settlement prices for Options Contracts is to maintain a consistent pricing relationship between the volatilities of one exercise price and the exercise price(s) nearest to it, whilst taking account of market activity.

2.3.2 The procedures for establishing Daily Settlement Prices are as follows:

- (a) Market Services will maintain continuous information on market activity, both for each series of each Options Contract and for the underlying Futures Contract or security (as applicable);
- (b) using this information, implied volatilities will be calculated for each series throughout the Trading Day, which the Relevant Euronext Market Undertaking will review at regular intervals in light of market activity;
- (c) in the case of less actively traded Options Contracts, or those where no recent bids or offers exist, the Relevant Euronext Market Undertaking may contact Members throughout the trading session in order to ascertain whether implied volatilities are reflective of the market view. In the case of more actively traded Options Contracts, Market Services will monitor implied volatilities toward the settlement time to check consistency with market activity throughout the trading session;
- (d) at the settlement time, the Relevant Euronext Market Undertaking will calculate settlement prices from implied volatilities. These settlement prices will be displayed on the Euronext Trading Platform; and
- (e) for a minimum period of five minutes following publication of settlement prices, the Relevant Euronext Market Undertaking may deem it necessary to amend the settlement prices and any appropriate revisions will be displayed accordingly.

2.3.3 The prices established by the procedures set out in this Trading Procedure 2.3 will be transmitted to the Clearing Organisation. In the event that the Clearing Organisation considers that prices do not correctly reflect the true value of contracts in the terms of Options Contracts within the market, the Relevant Euronext Market Undertaking may amend prices as appropriate.

## 2.4 Interruption of a trading session and subsequent resumption

2.4.1 The conduct of business on the Euronext Trading Platform in one or more Exchange Contracts may be interrupted by the Relevant Euronext Market Undertaking, in the case of an event, or when conditions or circumstances prevail, which in the Relevant Euronext Market Undertaking's opinion threatens or prevents the orderly conduct of business. Such events include, but are not limited to:

- (a) an act of God or some other event outside the Relevant Euronext Market Undertaking's control occurring; or
- (b) a Euronext Trading Platform technical failure or failures including, but not limited to, a part of the central processing system, a number of Member trading applications, or the electrical power supply to the system itself or any related system.

When notifying Members of a trading interruption, Euronext shall identify three situations:

- "suspension" that refers to interruption of regulatory nature, or due to temporary interruption of the underlying, or to maintain a fair and orderly market;
- "halt" that refers to interruption of technical nature; or
- "reservation" that refers to interruption on a given Instrument due to the potential matching of orders outside prevailing dynamic or static, where appropriate, collars as detailed in Trading Procedure 2.1, including in future spike circumstances referred to in Trading Procedure 2.1.8 ("Future Limit Interruption Protection").

2.4.2 In the event that the conduct of business on the Euronext Trading Platform in one or more Exchange Contracts is interrupted by the Relevant Euronext Market Undertaking as a consequence of an event described in Trading Procedure 2.4.1, the conduct of business will be resumed when, in the opinion of the Relevant Euronext Market Undertaking, business may be resumed on an orderly basis.

When the interruption results from reservation, the Instrument impacted shall switch to a Call Phase for a programmed period of time, which uncrossing time may be randomized for certain categories of contracts, and resumption shall take place only if the uncrossing price at expiration of that period falls in the prevailing dynamic or static, where appropriate, collars.

Reopening of continuous trading may result from two processes depending on the cause of the reservation:

- For attempts to match outside dynamic collars or Future Limit Interruption Protection, automated attempts to reopen trading are conducted by the system. For certain categories of contracts, after a

maximum number of times, the order at the origin of the reservation can be cancelled from the order book to allow continuous trading reopening;

- For attempts to match outside static collars, a manual process is followed whereby Market Services can determine to reopen based on their assessment of market conditions.

Reservation may apply to strategies due to their own dynamic collars or because one of their components is reserved.

2.4.3 In the event that the conduct of business on the Euronext Trading Platform in one or more Exchange Contracts is interrupted at or around the time specified for the establishment of Daily Settlement Prices or official closing prices (as the case may be), the Relevant Euronext Market Undertaking may in its absolute discretion determine either:

- (a) to change such times for that Trading Day; or
- (b) to set such prices at levels determined by them as being a fair reflection of the market, as they see fit.

2.4.4 In the event that the conduct of business on the Euronext Trading Platform in one or more Exchange Contracts is interrupted and the Relevant Euronext Market Undertaking determines that it may not be resumed either:

- (a) before Market Close; or
- (b) within sufficient time prior to Market Close to allow an orderly close to the market,

it may determine that the conduct of business in one or more Exchange Contracts should be resumed but that the relevant scheduled closing time should be delayed to a later time.

2.4.5 Instead of making a determination contemplated by Trading Procedure 2.4.4 the Relevant Euronext Market Undertaking may determine that the conduct of business cannot be resumed on that same Trading Day but will be resumed on such later Trading Day, and at such time, as they determine. If necessary, such determination may also be made on a Trading Day later than the Trading Day on which the conduct of business was interrupted

2.4.6 Any determination made by the Relevant Euronext Market Undertaking pursuant to Trading Procedures 2.4.4 or 2.4.5 may be revoked by a later determination. Any such later determination may likewise be revoked. Any determination made under this Trading Procedure 2.4 will be published by the Relevant Euronext Market Undertaking by any means of communication as it sees fit.

2.4.7 In the event of a general failure in the Euronext Trading Platform (e.g. central breakdown, breakdown in a significant number of communication

lines which, in the opinion of the Relevant Euronext Market Undertaking, poses a potential threat to the orderly operation of the market), the Relevant Euronext Market Undertaking may determine alternative trading arrangements as appropriate. Notification of alternative trading arrangements will be made by way of Notice or such other means of communication as the Relevant Euronext Market Undertaking sees fit. Such an event is considered to be an Exceptional Market Condition.

## SECTION 3 – ON ORDER BOOK TRANSACTIONS

### 3.1 [Deleted]

### 3.2 Entering orders and making acceptances

3.2.1 Orders for outright trades and strategy trades can be submitted to the matching engine from commencement of Call phase until Market Close. Submitted orders, once validated by the matching engine, are time-stamped.

3.2.2 On the Euronext Trading Platform:

- (a) a bid is represented as an order to buy (“buy order”);
- (b) an offer is represented as an order to sell (“sell order”); and
- (c) an acceptance is defined as the matching of a buy order and sell order in the Central Order Book.

3.2.3 Trading Procedures 3.2.3 to 3.2.5 describe the various order types, order designations and associated requirements, which may be submitted to the matching engine. Not all order functionality applies to each Relevant Euronext Market Undertaking or to all contracts available for trading on a Relevant Euronext Market Undertaking. Members must refer to Annexe One to these Trading Procedures which details which functionality applies to a Derivative of a Relevant Euronext Market Undertaking.

(a) Limit Order

Limit Orders entered into the Central Order Book are executed at the price stated or better. Any residual volume left after part of a Limit Order has traded is retained in the Central Order Book until it is withdrawn or traded (unless a designation described in Trading Procedure 3.2.4 is added which prevents the untraded part of a Limit Order from being retained). All Limit Orders (with the exception of those with a GTC or GTD designation as described in Trading Procedure 3.2.4 below) are automatically withdrawn by the matching engine on Market Close and in the circumstances outlined in Trading Procedures 3.2.9 and 3.2.10; and

(b) Market Order

Market Orders entered into the Central Order Book are executed at the best price(s) available in the market until all available volume has been traded. Any residual volume left after part of a Market Order has traded is automatically cancelled by the matching engine.

(c) Stop Orders

Stop Orders are Limit or Market Orders that are triggered when a specified price limit is reached on the market (implying that the market must trade at or above the stop limit for a buy Stop Order and at or below the stop limit for a sell Stop Order).

Stop Orders do not participate to any Call Phase but may be potentially triggered subsequently based on the uncrossing price determined and are not available for strategies.

(i) Stop Limit Orders;

If a Stop Limit Order is triggered, a Limit Order shall automatically be generated, with the limit price set by the Member upon entry of the Stop Limit Order, and added to the Central Order Book with the timestamp of its Central Order Book entry.

(ii) Stop Market Orders

If a Stop Market Order is triggered, a Market Order shall automatically be generated and added to the Central Order Book with the timestamp of its Central Order Book entry.

3.2.4 The designations set out in (a) to (f) below can be added to Limit, Market Orders and/or Stop Orders (i.e. respectively on the Stop Order itself and/or the Limit or Market Order to be consequentially generated if the Stop Order is generated, subject to restrictions described below) :

(a) Day

An order with a Day validity remains valid until the end of the trading day during which it was entered. It is withdrawn automatically on Market Close marking the end of the day. No cancellation notice is disseminated.

(b) Good Till Cancelled (GTC)

a GTC designation can be added to Limit Orders and Stop Orders. Such orders remain in the Central Order Book until the order:

(i) trades;

(ii) is withdrawn by, or under the authority of, the relevant Responsible Person or the Relevant Euronext Market Undertaking at the Member's request;

- (iii) is automatically withdrawn by the matching engine at Market Close on the date specified at the time of order entry; or
- (iv) is automatically cancelled by the matching engine on the last trading day of the delivery month to which the order related;
- (v) is automatically cancelled by the system if not cancelled by the member or fully executed during one year minus one day or earlier than the current trading day. The order is automatically cancelled at the corresponding post-session and a cancellation notice is sent to inform the owner of the order's deletion. There is no impact whether the year is a leap year or not.

(c) Good Till Date (GTD)

a GTD designation can be added to Limit Orders and Stop Orders. The expiration date specified when submitting a GTD order cannot be greater than the trading date plus one year minus one day or earlier than the current trading day. Such orders will remain in the Central Order Book until Market Close on the validity date that is specified when the order is entered or on the last trading day of the delivery month to which the order related, whichever is the earliest. No cancellation notice is disseminated;

(d) Immediate or Cancel (IOC)

an IOC designation can be added to Limit Orders and will be added to Market Orders automatically if no other designation is specified. IOC orders are immediately executed against any existing orders (at the specified price or better in the case of Limit Orders) up to the volume of the IOC order. Any residual volume left after part of the IOC order has traded will be automatically cancelled by the matching engine;

(e) Fill or Kill (FOK)

a FOK designation can be added to both Limit Orders and Market Orders. FOK orders will only be executed if there is sufficient volume available (at the specified price or better in the case of Limit Orders) for the order to be executed in full. If this is not the case the order will be automatically cancelled by the matching engine; and

(f) Minimum Quantity (MQ)

an MQ designation can be added to both Limit Orders and Market Orders. MQ orders will only be executed if the specified minimum volume is immediately available to trade (at the specified price or better in the case of Limit Orders). Where a volume equal to or greater than the specified minimum volume of an MQ order has

traded, the residual volume will be retained in the Central Order Book in the case of non IOC limit orders, or cancelled by the matching engine in the case of market orders.

- 3.2.5 [Reserved]
- 3.2.6 The identity of Members (and the Responsible Persons to whom their order entry accesses are assigned) who submit orders to the matching engine will remain anonymous to market participants at all times.
- 3.2.7 Orders can be edited once they are held in the Central Order Book. Editing of orders may be applied to price, volume and dates (for GTC and GTD orders). The time-stamp assigned by the matching engine at the entry of the original order will be updated if either the price is changed or the volume increased i.e. the order will assume an inferior position in the time priority “queue”, where applicable. A reduction in volume or an amendment to the cancellation date has no effect on the time-stamp.
- 3.2.8 Orders held in the Central Order Book can be withdrawn, individually or as a block, by the relevant Responsible Person or under his authority.
- 3.2.9 All orders with the exception of GTC and GTD orders will be cancelled automatically at Market Close or when the order entry access under which the order was submitted is logged out without the Member having nominated a replacement order entry access, whichever is the earlier. All orders, including GTC and GTD orders, will be cancelled at close of business on the Last Trading Day of the delivery month to which they relate, or the Last Trading Day of the delivery month of one or more legs of a GTC or GTD strategy order, as the case may be.
- 3.2.10 In the event of failure of the matching engine, all orders that are flagged Not to be persisted will be cancelled automatically.
- 3.2.11 When submitting an order to the Euronext Trading Platform, a Member must also submit an identifier denoting whether the order is for a House, Client or Market Maker/Liquidity Provider account.
- In addition, a Member must also provide “short codes” (then mapped to the “long codes”) as one of the order characteristics. If the trading capacity specified for the order is not consistent with the regulatory permissions of the Member, as registered with the Relevant Euronext Market Undertaking by the Member under his responsibility, the order will be rejected.
- 3.2.12 Pre-trade provision of clearing information may be specified on an optional basis with the order. It is the responsibility of the Member to ensure this information is in line with their post trade arrangements. The data that may be submitted is as follows:
- (a) Code of Trading Member (beneficiary of a give-up);
  - (b) Position Account number;

- (c) Posting indicator (opening or closing the position);
- (d) Clearing operation mode (not specified, manual mode (a.k.a pre-posting or pre-give up), or automatic give up / posting);
- (e) And other information like the Member's internal order number or Client identification.

### **3.3 Making of trades**

3.3.1 The following order prioritisation criteria will determine trade priority. Members should refer to Annexe One which details the order prioritisation applicable to each Exchange Contract:

- (a) Price/Time priority:
  - (i) best price. A buy order at the highest price and a sell order at the lowest price has priority over orders in the same contract/delivery month/strategy; and
  - (ii) oldest time-stamp. Buy/sell order(s) at the best price will trade in order according to the time they were accepted by the matching engine.
- (b) Pro-rata priority:
  - (i) best price. A buy order at the highest price and a sell order at the lowest price has priority over orders in the same contract/delivery month/strategy;
  - (ii) pro-rata. All buy orders at the highest price and all sell orders at the lowest price in the same contract/delivery month/strategy are traded in accordance with the pro-rata algorithm, the details of which, including any element of priority, will be specified by Annex 3.

3.3.2 Where backwardation (bids higher than offers) or choice prices (bids equal to offers) exist at Market Open, the matching engine will run an uncrossing algorithm to calculate the price at which the maximum volume can be traded and automatically executes trades accordingly: any orders executed in this way will be traded at a price equal to or better than that at which they were entered and any untraded bids and/or offers will remain in the market.

3.3.3 The details of each trade on the Euronext Trading Platform other than the identity of the counterparties to such trade will be transmitted to Trade Registration and to all market participants who have successfully logged on and subscribed to the relevant market. All post-trade details will be published on an anonymous basis.

3.3.4 For Futures Contracts and designated Options Contracts (Annexe One), during the Call phase, details of indicative opening prices and volume

will be transmitted to all market participants who have successfully logged on and subscribed to the relevant market, until Market Open.

- 3.3.5 Members are required to make available personnel responsible for the resolution of trade processing queries when required to do so.

### **3.3.6 Uncrossing**

- 3.3.6.1 Subject to Trading Procedure 3.3.6.2 and pursuant to Trading Procedure 3.3.2, the matching engine will not run the uncrossing algorithm at Market Open for Equity and Equity Index Option Contracts until a trade price for the relevant underlying has been received.

- 3.3.6.2 Notwithstanding the provisions of Trading Procedure 3.3.6.1, the Relevant Euronext Market Undertaking may, in its absolute discretion, run the uncrossing algorithm and open trading in Contracts in the event that no underlying trade price is received.

### **3.3.7 Corporate Actions**

- 3.3.7.1 Any adjustment of Options Contracts and/or Futures Contracts will be determined in accordance with the Corporate Actions Policy of the Relevant Euronext Market Undertaking unless the Relevant Euronext Market Undertaking, in its absolute discretion, determines otherwise. The Corporate Actions Policy and any adjustment to the Contract will be published by Notice from time to time and shall have such effect with regard to existing and/or new Option Contracts and/or Futures Contracts as the Relevant Euronext Market Undertaking may determine.

- 3.3.7.2 The Relevant Euronext Market Undertaking may cancel orders in the Central Order Book of a contract where that contract's characteristics have been altered following one or more corporate actions affecting the underlying security. Any such cancellation of outstanding orders (and any requirements to re-submit orders) will be published by the Relevant Euronext Market Undertaking by way of Notice or such other means of communication as the Relevant Euronext Market Undertaking sees fit.

### **3.4 Cross Transactions**

3.4.1 [Deleted]

3.4.2 Matching business may be procured for an order by way of pre-negotiation within the same Member, with other Members or with Clients.

3.4.3 Matching business may be entered to the matching engine using one of the following two methods:

- (a) by submission to the Central Order Book; or
- (b) by submission in a dedicated order book for designated contracts set out in Annexe One.

3.4.4 Orders for which matching business has been found by pre-negotiation may be entered to the matching engine subject to a minimum delay, set out in Annexe 1, between the submission of the separate buy and sell orders. Where a Member wants to enter such matching business and one side of the matching business is for his own account, the client order should be entered first.

3.4.4A For Commodity Option Contracts, except where the Relevant Euronext Market Undertaking provides alternative facilities to execute pre-negotiated business as a single Transaction, all pre-negotiated business must be executed as a cross.

In particular, the Request for Cross facility (as described in Trading Procedure 3.4.5A) must be used for Commodity Option Contracts and is also available for those Contracts set out in Annexe One.

3.4.5 [Reserved]

3.4.5A Request for Cross Facility on Commodity Option Contracts (also referred to as "standard RFC" algorithm)

A Request for Cross ("RFC") must first be entered for the relevant series or strategy in all cases, whether or not a bid and/or offer exists in the Central Order Book for such series or strategy.

An RFC initiating Member may not enter either side nor a part of the matching business into the order book prior to the submission of an RFC.

An RFC shall be rejected upon entry if its intended matching price is outside the best bid and offer available in the Central Order Book at its entry time.

The RFC has the simultaneous effect of entering in an irrevocable way the buy and the sell orders in the matching system and of sending an alert message to the rest of the market.

The market only receives notice of an RFC in the relevant series or strategy and of its associated duration. The market does not receive notice of the orders' size or intended execution price level.

Neither an RFC initiating Member, when acting via an order entry access involved in pre-negotiation of the RFC, nor its clients having placed orders for the cross may submit any further orders during the RFC period nor give orders for some other Member to input into the matching system.

During the RFC period,

- (i) Members other than the RFC initiating Member, and
- (ii) the RFC-initiating Member, but not through the order entry access involved in pre-negotiation of the RFC and not in respect of its clients who have placed orders for the cross,

may (subject to minimum size) respond and enter limit orders, which will not be published.

Once the RFC period has elapsed, Central Order Book orders that can match with the RFC (subject to minimum size and excluding implied prices) are added to the response orders, and both orders are considered to be response orders. The buy and sell orders of the RFC initiating Member shall interact with such other orders as follows:

- step 1, all response orders that improve the RFC intended execution price are matched against the RFC business according to an uncrossing process matching in price/time priority;
- step 2, the resulting RFC balance (including the consequential impact on the balance of the RFC's associated buy and sell orders), shall be executed against response orders that match the RFC execution price, ranked according to their time priority, up to a maximum sharing level which is calculated by multiplying the minimum RFC quantity left on the buy or sell side after step 1 by the set sharing percentage;

Following that, the rest of the RFC balance shall be executed as a cross by the RFC initiating Member.

Following that, the remaining RFC response orders are matched amongst themselves.

Orders entered via the RFC may be subject to additional size requirements. RFC parameters in terms of duration, minimum order size and sharing are set in Annexe One.

#### 3.4.5B Request for Cross Facility on Equity and Index option Contracts (also referred to as "client priority RFC" algorithm)

A Request for Cross ("RFC") must first be entered for the relevant series or strategy in all cases, whether or not a bid and/or offer exists in the Central Order Book for such series or strategy. When entering the RFC,

the initiating Member may in addition set a tolerable price expressing the maximum (respectively minimum) level to which it is prepared to buy (respectively sell) should market conditions move.

An RFC initiating Member may not enter either side nor a part of the matching business into the order book prior to the submission of an RFC.

An RFC shall be rejected upon entry if its intended matching price is outside the best bid and offer available in the Central Order Book at its entry time.

The RFC has the simultaneous effect of entering in an irrevocable way the buy and the sell orders in the matching system and of sending an alert message to the rest of the market.

The market receives notice of an RFC in the relevant series or strategy and of its associated duration, including the orders' size and intended execution price level. The tolerable price set by the initiating Member is not disclosed at this stage.

Any other orders produced by the RFC initiating Member shall not be eligible for matching during the RFC period with the RFC business such Member initiated. Clients having placed orders for the cross shall not submit any further orders during the RFC period nor give orders for some other Member to input into the matching system.

During the RFC period, Members other than the RFC initiating Member may (subject to minimum size) respond and enter limit orders, which will not be published.

Once the RFC period has elapsed, all response orders shall first be made public aggregated by price. Central Order Book ("COB") orders that can match with the RFC (subject to minimum size and excluding implied prices) are added to the response orders and the buy and sell orders of the RFC initiating Member shall interact with such other orders as follows:

- step 1, all response and COB orders that improve the RFC intended execution price are matched against the RFC business according to an uncrossing process matching in price/time priority. Each time the improved price is consistent with the RFC initiating Member's tolerable price, improved orders are generated for the RFC initiating Member at such price. Matching of response and COB orders with the RFC business at such price will take place up to a maximum sharing level, the rest remaining available for matching with the RFC initiating Member's improved orders so generated;
- step 2, the resulting RFC balance (including the consequential impact on the balance of the RFC's associated buy and sell orders), shall be executed against response and COB orders that

match the RFC execution price, ranked according to their time priority, up to a maximum sharing level which is calculated by multiplying the minimum RFC quantity left on the buy or sell side after step 1 by the set sharing percentage.

To make sure that the client account side of an RFC is always fully executed, step 1 and step 2 are first executed for response and COB orders that match with the client account side of the RFC business. After this, step 1 and step 2 are executed for response and COB orders that match with the other side of the RFC business, up to the volume of the matched client account side.

When both sides of the RFC are for the client account, the matching starts with the side that contains the smallest matchable reactor quantity.

Following that, the rest of the RFC balance shall be executed as a cross by the RFC initiating Member.

Following that, the remaining RFC response and COB orders are matched with unfilled RFC quantity when possible or are matched amongst themselves respectively.

The possibility for the initiating Member to set a tolerable price may be limited to RFC sizes above a certain quantity set by Euronext.

In the particular situation where the RFC was initiated for a quantity of only one contract, execution will take place as follows:

- if response and COB orders do not improve the RFC prices, including the tolerable price where appropriate, the RFC will be executed as a cross by the RFC initiating Member;
- if an improvement is possible, matching will take place with the response or COB order that has the highest priority.

Orders entered via the RFC may be subject to additional size requirements. RFC parameters in terms of duration, minimum order size and sharing are set in Annexe One.

3.4.6 [Reserved]

3.4.7 [Reserved]

3.4.8 [Reserved]

3.4.9 A Member and his Responsible Persons may deliberately seek to execute a trade involving two wholly or partially matching orders providing the requirements in these Trading Procedures are met.

### **3.5 Trade cancellations**

Trade cancellations may be carried out under specific conditions published by Notice.

### **3.6 Strategy trades**

3.6.1 Members may execute strategies comprising combinations of Exchange Contracts. A list of strategies available for trading on the Euronext Trading Platform is specified by the Relevant Euronext Market Undertaking by Notice from time to time and is contained in Annexe Two to these Trading Procedures.

3.6.2 A separate order book will be created for each strategy where a dedicated request has been submitted to the matching engine. With the exception of the underlying price of the Cash leg for a stock contingent volatility trade, the traded price of each leg will be calculated by an Exchange maintained algorithm.

3.6.3 In addition, there will be certain strategies for which implied trading functionality applies as specified by the Relevant Euronext Market Undertaking from time to time.

Implied trading operates in the following two ways:

- “Strategy implied” means that for a given strategy order book, where the strategy is composed of maturities or series legs having each their individual outright order book, the relevant explicit order prices from the components outright order books are combined into implied prices in the strategy order book;
- “Component implied” means that for a given outright maturity or series order book, which is a leg for one or multiple strategies, the interaction of an explicit strategy order and its other outright component explicit orders will generate an implied price in the designated outright order book.

3.6.4 Implied trading may be enabled by Euronext according to two methods:

- “Event driven implied matching” (EDIM) means that implied prices will be calculated and available for matching only upon instant occurrence of one of two events:
  - i) a Member having an existing order in the strategy order book requests that execution takes place including implied prices;
  - or
  - ii) a new or amended order improves the best bid or offer price of the relevant order books, i.e. the strategy component outright maturities or series order books.

Only Strategy Implied is calculated in EDIM.

- “Spontaneous implied matching” (SIM) means that implied prices will be calculated and available for matching on a permanent basis.

Both Strategy and Component implied are calculated in SIM.

3.6.5 Strategy trades must, for each side, comprise a single order or aggregate of orders, which result in the same beneficiary trading each element of the relevant strategy.

3.6.6 A Member may not execute a strategy order otherwise than in the relevant strategy order book unless the member can demonstrate that doing so would be disadvantageous to the client. GTC and GTD orders are not allowed to be entered in delta-neutral strategies, i.e. strategies with an underlying involved, including volatility strategies.

### **3.7 Delta neutral trades**

3.7.1 Members may execute delta neutral trades involving the simultaneous execution of options and an appropriate number of offsetting futures where the relevant futures and options are available for trading on the same matching engine. A list of delta neutral trade types available for trading on the Euronext Trading Platform is specified by the Relevant Euronext Market Undertaking by Notice from time to time and is contained in Annexe Two to these Trading Procedures.

3.7.2 In order to execute delta neutral strategy trades on the Euronext Trading Platform, a Member must have appropriate trading rights for the trading of both the options and futures legs.

3.7.3 A separate order book will be created for each delta neutral trade order submitted with different option price(s) or delta details. A Member is not permitted to create a new delta neutral strategy order book unless there is a genuine need to do so. For the avoidance of doubt, a Member must not create a new delta neutral strategy order book in order to avoid his order(s) being entered to, and thereby interacting with, a delta neutral strategy order book with almost identical characteristics which has already been created.

3.7.4 Following submission of a delta neutral trade order, the matching engine will validate both its option price(s) and delta and automatically assign offsetting futures to the counterparty(ies) of the resulting trade(s). Where a Member submits a delta neutral order to the matching engine, the size of the order must be such as to be delta neutral in nature, as determined by the applicable delta (e.g. for a delta of 20%, orders being in multiples of 5 option lots). For the avoidance of doubt, a Member must not submit orders to the delta neutral order book with the intention of securing a non-delta neutral Transaction.

The price used for the underlying must be set within an interval (spread) associated to the last traded price (LTP) of the underlying as following:

- for LTP below 10.00, spread is 0.10 (absolute value)

- for LTP above or equal to 10.00, spread is 1.0%

3.7.5 Delta neutral trades must, for each side, comprise a single order or aggregate of orders, which result in the same beneficiary trading both the option and futures contracts.

### **3.8 Stock Contingent Trades**

3.8.1 Subject to the appropriate trading rights, Members may execute strategies in Individual Equity Option Contracts that are contingent upon the execution of a transaction in the underlying security using the Euronext Trading Platform for Equity Options stock contingent trade facility. Both the Individual Equity Option Contracts (“options”) and underlying company security components (“stock”) of any order in respect of a stock contingent trade must be executed on behalf of the same Client or account, as the case may be.

3.8.2 For certain options designated by the Relevant Euronext Market Undertaking, the stock transaction shall automatically take place on the corresponding Euronext Securities Market. In this case, Members must hold appropriate trading rights in such market. Otherwise, the Member must have in place arrangements for the execution of the stock via a Member holding a relevant trading right.

3.8.3 A list of stock contingent strategies available for trading on Euronext Trading Platform (“on order book transactions”) is contained in Annexe Two to these Trading Procedures and may be varied from time to time by the Relevant Euronext Market Undertaking.

3.8.4 In order to execute a stock contingent trade a Member first needs to create the relevant strategy, as referred to in Trading Procedure 3.8.3. This creation needs to contain the details required for options, the name, volume and price of the stock, as well as the delta in the case of volatility trades. Following checks are performed at Strategy creation:

(a) The stock price must be consistent with prices prevailing in the equity market at that moment. Where the stock transaction takes place on a Euronext Securities Market, as referred to in Trading Procedure 3.8.2, the stock price must be set within an interval (spread) associated to the last traded price (LTP) of the stock as following:

- for LTP below 10.00, spread is 0.10 (absolute value)
- for LTP above or equal to 10.00, spread is 1.0%.

(b) In the case of volatility trades, the delta used in the Strategy will be checked against the delta calculated by an Exchange-maintained model, and the difference between the deltas must be within 10 delta points.

3.8.5 In the case of conversions and reversals, the volume of stock transacted must be consistent with the net delta for that position.

3.8.6 A separate order book will be created for each stock contingent Strategy created, with different option price, delta details and conforming to the dynamic collars calculated by an Exchange-maintained model taken at the creation of the strategy.

A Member is not permitted to create a new stock contingent trade unless there is a genuine need to do so. For the avoidance of doubt, a Member must not create a new stock contingent trade order book in order to avoid his order being entered to, and thereby interacting with, a stock contingent trade order book with almost identical characteristics which has already been created.

3.8.7 Orders in respect of stock contingent trades will only trade if:

- (a) details of both the stock and the options components (and the delta in the case of volatility trades) match, albeit that an order may be accepted in part providing the ratio of stock to options contracts traded is the same for both the buying and selling sides; and
- (b) in the case of stock contingent volatility trades, the options and stock price and the delta quoted are consistent with a model maintained by the Relevant Euronext Market Undertaking used to ensure the appropriateness of the order details submitted.

3.8.8 Details of the options component of stock contingent trades will be posted to market participants and quote vendors, identified as part of a strategy. Details of the stock component will also be published.

**3.9 [Reserved]**

### **3.10 Trading at Index Close Facility**

3.10.1 For certain Futures contracts designated by the Relevant Euronext Market Undertaking and specified in Annexe One to these Trading Procedures, Trades at index close ("TAIC") can take place on a dedicated Central Order Book.

3.10.2 Orders on the TAIC Central Order Book shall be expressed on the basis level, i.e. the difference to be agreed between the respective prices of the Futures contract and of its underlying instrument.

3.10.3 Trades in Futures contracts shall be deemed firm as soon as they have been concluded on the TAIC Central Order Book with an agreed basis level and shall be assigned their final value after the market of the underlying instrument has closed.

3.10.4 The use of the TAIC Facility is subject to specific requirements differing from those normally applicable to the futures contract, notably in relation to minimum price movement and trading hours.

## **SECTION 4 – OFF ORDER BOOK TRANSACTIONS**

### **4.1 Transactions negotiated outside the Central Order Book**

- 4.1.1 This Section 4 describes various trading facilities and associated requirements for executing Off Order Book Transactions. However, not all trading facilities apply to each Derivative which is an Admitted Financial Instrument. Members must refer to Annexe One to these Trading Procedures which details which functionality and/or which requirements apply to each such Derivative.
- 4.1.2 For the purposes of this Section 4, an Off Order Book Transaction is a Transaction which is:
- (i) negotiated outside the Central Order Book but subject to the Rules and these Trading Procedures; and
  - (ii) reported to the Relevant Euronext Market Undertaking pursuant to the Rules and these Trading Procedures.
- 4.1.3 An Off Order Book Transaction is deemed to have been executed when the details are authorised by the Relevant Euronext Market Undertaking.
- 4.1.4 For Contracts where an Admitted Financial Instrument can either be traded through the Central Order Book or executed as an Off Order Book Transaction, a position arising from an Off Order Book Transaction is fungible with positions arising from Transactions entered via the Central Order Book. Once an Off Order Book Transaction has been accepted for clearing, the resulting position is settled and recorded in the same way as a position created in the Central Order Book.
- 4.1.5 For the avoidance of doubt, actions taken by the Relevant Euronext Market Undertaking pursuant to Rule 5402/1 shall apply to Off Order Book trading as well as to the Central Order Book. In particular, where a financial instrument underlying a Derivative admitted to trading on a Euronext Market Undertaking has been suspended at the request of the relevant competent authority or the issuer (as the case may be), Off Order Book Transactions in respect of such Derivative shall not be negotiated during the period of such suspension.
- 4.1.6 Trading Procedures 4.2 to 4.4 inclusive deal with Technical Trades (i.e. EFS and EOO, against actuals); Trading Procedure 4.5 deals with Large-in-Scale Trades.

## TECHNICAL TRADES

### 4.2 EFS and EOO

4.2.1 EFS and EOO facilities allow Members to organise and execute, subject to this Trading Procedure 4.2, Transactions involving a combination of an approved OTC instrument and the appropriate number of related Futures or Options Contracts.

4.2.2 Any Member is permitted to arrange EFS and EOO, subject only to the Member having in place arrangements for the execution of the futures or options leg of an EFS or EOO via a Member holding a relevant trading right (“the EFS or EOO executing Member”) to trade the related Exchange Contract.

4.2.3 EFS and EOO may be negotiated only during the trading hours of the Futures or Options Contract concerned, as published by the Relevant Euronext Market Undertaking from time to time by Notice.

4.2.4 EFS and EOO may be transacted only in Exchange Contracts which have been designated by the Relevant Euronext Market Undertaking for that purpose. Such designations will be published, from time to time, by Notice and are detailed in Annexe One.

4.2.5 The EFS or EOO executing Member is responsible for assigning the price of the futures or options leg(s) of this trade. For the futures or options leg(s) to be authorised, the price(s) assigned must be in accordance with the following:

Where the trade is an EFS or EOO in accordance with Trading Procedure 4.2.6(a) or (b), for the futures or options leg(s) to be authorised the price(s) assigned must be within the price range established to date in respect of the delivery/expiry month in the relevant Exchange Contract.

In exceptional circumstances, the Exchange may, at its absolute discretion, authorise an EFS/EOO trade where the price of the futures or options leg(s) is outside of the parameters set out above. Prior to authorising such EFS/EOO trade, the Exchange will require additional information from the EFS/EOO trade executing Member, in relation to the organisation of the EFS/EOO trade.

4.2.6 The following approaches to the construction of hedge ratios for EFS and EOO are considered acceptable:

- (a) OTC swaps or options conforming to ISDA standards (or equivalent documentation) in relation to physical products underlying the Futures Contracts, or in relation to a direct product of such physical product, against the relevant Futures Contract, herein defined as an Exchange for Swap (“EFS”): a method which is based on the quantity of the physical product or a direct product of such physical product underlying the swap or options position

relative to the quantity of the product underlying the Futures Contract.

- (b) OTC options conforming to ISDA standards (or equivalent documentation) in relation to physical commodities underlying the Commodity Options Contracts, or in relation to a direct product of such commodity, against the relevant Commodity Options Contract, herein defined as an Exchange of Options for Options (“EOO”): a method which is based on the quantity of the commodity or a direct product of such commodity underlying the OTC option position relative to the quantity of the commodity underlying the Options Contract.

Where a hedge ratio differs from such methods, the Member who is submitting the trade for authorisation (see Trading Procedure 4.2.7) is required to justify the method employed in advance of such submission.

4.2.6A Members shall not submit or cause to be submitted to Euronext for authorisation any EFS or EOO unless there is a corresponding existence of an OTC contract. The number of Exchange Contracts must be appropriate to the quantity of the OTC contracts. Members shall satisfy themselves in advance of any such submission of EFS or EOO to Euronext for authorisation, that the approved OTC contract exists in appropriate quantity.

4.2.7 When a Member accepts an EFS or EOO order, he must record the order details set out in Trading Procedure 4.2.11 to 4.2.12 and, in addition, the details prescribed by (a) – (c) below, on an order slip. Where a Member employs an electronic system for order routing, such details must be recorded electronically:

- (a) time of order receipt;
- (b) identity of individual organising the EFS or EOO trade; and
- (c) time stamp (at time of organisation).

All information required to be retained by the EFS or EOO executing Member, pursuant to this Trading Procedure 4.2.7, must be retained by the Member for a minimum period of five years.

4.2.8 Where an EFS involves a Futures Contract against an OTC swap or option, the following details must be submitted via the Euronext Trading Platform by the EFS executing Member:

- (a) Futures Contract in which the EFS is being transacted;
- (b) delivery/expiry month;
- (c) agreed futures price; and

- (d) number of lots of each Futures Contract.

In addition, the EFS trade executing Member must retain, in an easily accessible form that can be audited by the Relevant Euronext Market Undertaking, a copy of the relevant ISDA agreement (the "ISDA Agreement") or the relevant confirmation which forms part of the ISDA Agreement, or equivalent documentation.

The following information should be contained in the documentary evidence:

- (a) the price formulae of the swap or OTC option;
- (b) the termination/maturity date;
- (c) the effective (start) date of the swap or OTC option;
- (d) the quantity of the swap or OTC option position relating to the underlying physical product or the direct product of such physical product ; and
- (e) the referenced futures delivery/expiry month.

All information required to be retained by the EFS executing Member, pursuant to this Trading Procedure 4.2.11, must be retained by the Member for five years. If the EFS executing Member is not directly responsible for the existence of the OTC contract, he must have appropriate arrangements in place with the party organising/executing that leg such that the information above in (a) to (e) can be provided promptly to the Relevant Euronext Market Undertaking.

4.2.9 Where an EOO involves a Commodity Options Contract against an OTC option, the following details must be submitted via the Euronext Trading Platform by the EOO trade executing Member:

- (a) Options Contract in which the EOO is being transacted;
- (b) Options Contract expiry month;
- (c) agreed strike price and premium; and
- (d) number of lots of each Option Contract.

In addition, the EOO executing Member must retain, in an easily accessible form that can be audited by the Relevant Euronext Market Undertaking, a copy of the relevant ISDA Agreement or the relevant confirmation which forms part of the ISDA Agreement, or equivalent documentation.

The following information should be contained in the documentary evidence:

- (a) the price formulae of the OTC option;
- (b) the termination date;
- (c) the start date;
- (d) the quantity of the position relating to the underlying commodity or the direct product of such commodity; and
- (e) the referenced options expiry month.

All information required to be retained by the EOO trade executing Member, pursuant to this Trading Procedure 4.2.12, must be retained by the Member for five years. If the EOO executing Member is not directly responsible for the existence of the OTC contract, he must have appropriate arrangements in place with the party organising/executing that leg such that the information above in (a) to (e) can be provided promptly to the Relevant Euronext Market Undertaking.

4.2.10 The EFS or EOO details must be submitted on the Euronext Trading Platform as soon as practicable. . Members must not delay submission of an EFS or EOO.

Submission by EFS or EOO Executing Members shall occur in one of two ways:

- (a) either one Member is authorised by his counterparties to enter all legs and/or sides of the Trade and see to it that other Members involved are properly allocated their respective side of the Trade; or
- (b) each Member involved enters the relevant details for his respective leg(s) and/or side(s) with a view to having such trade details matched within the Euronext Matching Engine.

The Relevant Euronext Market Undertaking will check the validity of the details of the submitted transaction. If the Relevant Euronext Market Undertaking is satisfied that all such details are valid, it will authorise the futures or options leg of the EFS or EOO trade. The executing Member will then receive confirmation of the details of the trade.

4.2.11 Details of the executed futures or options leg(s) of an EFS or EOO will be submitted to Trade Registration by the matching engine.

4.2.12 Authorisation by the Relevant Euronext Market Undertaking of a Transaction does not preclude the Relevant Euronext Market Undertaking from instigating disciplinary proceedings in the event that the Transaction is subsequently found to have been made other than in compliance with Rules and Trading Procedures.

4.2.13 [Reserved]

4.2.14 Where an EFS or an EOO has been validated in accordance with Trading Procedure 4.2.6(a) or 4.2.6(b) respectively the following information with respect to the futures or options leg of an EFS or EOO respectively will be broadcast on the Euronext Trading Platform immediately upon authorisation:

- Futures Contract(s) and maturity(ies) or Options Contract(s) and maturity(ies);
- futures or options price(s);and
- volume of futures or options traded.

In addition, these details will be distributed to Quote Vendors, marked with a special trade type indicator.

4.2.15 Both the long and short positions associated with the futures or options leg(s) of an EFS or EOO will be passed to Trade Registration and matched under the EFS or EOO executing Member's Identifier.

4.2.16 Upon request by the Relevant Euronext Market Undertaking the EFS or EOO executing Member must produce satisfactory evidence that the EFS or EOO have been negotiated in accordance with the Rules and Trading Procedures. EFS or EOO executing Members must, therefore, be in a position to supply documentary evidence in connection with an EFS or EOO, including, but not limited to, evidence confirming the existence of the related OTC contract.

EFS or EOO executing Members may also be required from time to time by the Relevant Euronext Market Undertaking to request, and copy to it, confirmation of the details of the OTC contract where another party was responsible for its existence.

**4.3 [Reserved]**

**4.4 Against Actuals**

4.4.1 Euronext provides an Against Actuals ("AA") Facility which allows Members to negotiate and execute, subject to this Trading Procedure 4.4, Transactions which relate directly to a specific identifiable underlying transaction in the same or similar physical product. Specifically, an AA is a Transaction between two parties involving the purchase or sale of a contract in the terms of an Exchange Contract and either:

- (a) the simultaneous price fixing of a directly related contract for sale or purchase, which expressly contemplated price fixing; or
- (b) the hedging of a directly related contemporaneous contract for sale or purchase.

4.4.2 AAs may be transacted only in respect of Exchange Contracts which have been designated by the Relevant Euronext Market Undertaking from time to time for that purpose and published from time to time by

Notice. The Exchange Contracts designated for AAs are set out in Annexe One to these Trading Procedures.

4.4.3 Any Member is permitted to arrange AAs, subject only to the Member having in place arrangements for the execution of the futures leg of the AA via a Member holding a relevant trading right (“the AA executing Member”) to trade contracts in terms of the AA Exchange Contract.

4.4.4 An AA may be negotiated only during the trading hours of the Exchange Contract concerned, as published by the Relevant Euronext Market Undertaking from time to time by Notice.

4.4.5 When a Member accepts an AA order, he must record the order details set out in Trading Procedure 4.4.7 and, in addition, the details prescribed by (a) – (c) below, on an order record. Where a Member employs an electronic system for order routing, such details must be recorded electronically:

- (a) time of order receipt;
- (b) identity of individual organising the AA; and
- (c) time stamp (at time of organisation).

All information required to be retained by the AA executing Member, pursuant to this Trading Procedure 4.4.5, must be retained by the Member for five years.

4.4.6 The AA executing Member is responsible for assigning the price of the futures leg(s) of the AA. For the futures leg(s) to be authorised, the price(s) must be transacted within the high low range of traded prices on that Trading Day, at the time at which the AA is negotiated.

4.4.7 The following details must be submitted via the Euronext Trading Platform by the AA executing Member:

- (a) Exchange Contract in which the AA is being transacted;
- (b) Delivery/expiry month(s);
- (c) agreed futures price(s);
- (d) number of lots of each Exchange Contract; and
- (e) counterparty Member Identifier.

In addition, and subject to Trading Procedure 4.4.14, the AA executing Member must retain, in an easily accessible form that can be audited by the Relevant Euronext Market Undertaking, documentary evidence of the following information:

either

- (i) a copy of the physical contract itself, if this was transacted at a specific outright price. The date of the physical contract must be the same as the date of registration of the futures leg;
- or
- (ii) a copy of a price-fixation confirmation, together with a copy of the directly related contract which shows the price differential or ratio at which the contract was transacted. The date of the price-fixation confirmation must be the same as the date of registration of the futures leg;
- and
- (iii) that the price (plus premium, less discount, or multiplied by ratio) equates to the price at which the AA was transacted;
  - (iv) that the futures delivery/expiry month referred to in the physical contract or price-fixation confirmation is the same as that for which the AA was registered; and
  - (v) that the physical contract or price-fixation confirmation relates to at least the equivalent amount of the underlying physical or a related physical product.

4.4.8 Details of an AA Transaction must be submitted to the Relevant Euronext Market Undertaking by the AA executing Member as soon as practicable. . Members must not delay submission of an AA.

Submission by AA Executing Members shall occur in one of two ways:

- (a) either one Member is authorised by his counterparties to enter all legs and/or sides of the Trade and see to it that other Members involved are properly allocated their respective side of the Trade; or
- (b) each Member involved enters the relevant details for his respective leg(s) and/or side(s) with a view to having such trade details matched within the Euronext Matching Engine.

If the Relevant Euronext Market Undertaking is satisfied that all such details are valid, it will authorise the futures leg of the AA. The executing Member will then receive confirmation of the details of the trade.

4.4.9 Details of the executed AA will be submitted to Trade Registration by the matching engine.

4.4.10 The following information with respect to the futures leg of an AA will be broadcast on the Euronext Trading Platform immediately upon authorisation:

- Futures Contract(s) and maturity(ies);

- Futures price(s); and
- Volume of futures traded.

In addition, these details will be distributed to Quote Vendors, marked with a special trade type indicator.

- 4.4.11 Both the long and short positions associated with the futures leg(s) of an AA will be submitted to Trade Registration and matched under the AA executing Member's Identifier.
- 4.4.12 Authorisation by the Relevant Euronext Market Undertaking of a Transaction does not preclude the Relevant Euronext Market Undertaking from instigating disciplinary proceedings in the event that the Transaction is subsequently found to have been made other than in compliance with the Rules and Trading Procedures.
- 4.4.13 All information required to be retained by the AA executing Member, pursuant to Trading Procedure 4.4.7, must be retained by the Member for five years. If the AA executing Member is not directly responsible for the execution of the physical leg of the AA, he must have appropriate arrangements in place with the party organising/executing the physical leg such that the information in 4.4.7(i) – (v) above can be provided promptly to the Relevant Euronext Market Undertaking.
- 4.4.14 Upon request by the Relevant Euronext Market Undertaking, the AA executing Member must provide satisfactory evidence that the AA has been executed in accordance with the Rules and Trading Procedures.

## **LARGE-IN-SCALE TRADES**

### **4.5 Large-in-Scale Trades**

#### **Introduction**

- 4.5.1 The Large-in-Scale Trade Facility allows Members to negotiate and execute Transactions involving Large-in-Scale Trades in accordance with these Trading Procedures.
- 4.5.2 Large-in-Scale Trades may be transacted only in Exchange Contracts which have been designated by the Relevant Euronext Market Undertaking for that purpose, as set out in Annexe One to these Trading Procedures.
- 4.5.3 The Large-in-Scale Trade Facility allows Members to enter into Large-in-Scale Trades in any Exchange-recognised strategy (as set out in Annexe Two), including inter-contract spreads, through a single Transaction.
- 4.5.4 The Large-in-Scale Trade Facility is available to Members who wish to enter into Large-in-Scale Trades with one or more counterparties and/or in strategies involving combinations of Large-in Scale Trade Contracts (limited to the Exchange-recognised strategies).

However, each leg of any order executed via a Large-in-Scale Trade Facility must relate to a single counterparty and meet the applicable minimum volume threshold condition.

#### **Large-in-Scale Trading Hours/Availability of the Facility**

- 4.5.5 A Large-in-Scale Trade may be negotiated and submitted during the hours specified in the Annexe One respectively for standard and expiry trading days.
- 4.5.6 [Reserved]

#### **Minimum Volume Thresholds**

- 4.5.7 For those Exchange Contracts designated pursuant to Trading Procedure 4.5.2 as Large-in-Scale Trade Contracts, the minimum volume thresholds applying to Large-in-Scale Trades are published on the Euronext website.
- 4.5.8 In respect of strategies, minimum volume thresholds apply to each leg, except in the case of illiquid strategy transactions.

Transaction on a strategy is qualified as liquid or illiquid according to the relevant articles of MIFIR and implementing delegated regulations on the matter<sup>1</sup>.

Transactions are considered as liquid if they meet all the following criteria:

- (i) strictly fewer than 3 components;
- (ii) all component have time to expiry (TTE) shorter than 6 months;
- (iii) all components are of the same parent contract (same underlying);
- (iv) parent contract is liquid<sup>2</sup>;
- (v) all components are traded in the same currency;
- (vi) are of the same sub-asset class (Options vs. Futures); and
- (vii) for Equity and Index Option Contracts, all components of the transaction must have the same termination/maturity date.

Any transactions that do not meet all of the criteria listed above are considered illiquid, with exception of Calendar spread on Commodity Future Contracts, where the criteria 'iv' does not apply.

For liquid transactions – each individual trade component must meet the relevant minimum volume threshold.

For illiquid transactions – at least one trade component must meet the relevant minimum volume threshold. For delta neutral transactions, the condition must be met among option components.

4.5.9 In respect of futures contracts designated as Large-in-Scale Trade Contracts, Members must not aggregate separate orders in order to meet the minimum volume thresholds nor may they combine separate orders in respect of different contracts to generate an inter-contract spread trade.

---

<sup>1</sup> - Title II, Chapter 2, Article 9 of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012  
- Chapter I, Article 1 of COMMISSION DELEGATED REGULATION (EU) 2017/583 of 14 July 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards on transparency requirements for trading venues and investment firms in respect of bonds, structured finance products, emission allowances and derivatives  
- Articles 1 and 3 or 5 as appropriate of COMMISSION DELEGATED REGULATION (EU) 2017/2194 of 14 August 2017 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to package orders

<sup>2</sup> According to Annexe III of COMMISSION DELEGATED REGULATION (EU) 2017/583 of 14 July 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards on transparency requirements for trading venues and investment firms in respect of bonds, structured finance products, emission allowances and derivatives

4.5.10 In respect of options contracts designated as Large-in-Scale Trade Contracts, Members must not aggregate separate orders in order to meet the minimum volume threshold on both sides of a Large-in-Scale Trade. However, where a Member receives a Large-in-Scale Trade order which meets or exceeds the relevant minimum volume threshold, he may aggregate orders on the matching side only, in order to facilitate execution of the Large-in-Scale Trade.

4.5.11 [Deleted]

### **Fair Value**

4.5.12 Members should ensure when negotiating Large-in-Scale Trades that their Clients and their potential counterparty(ies) are made aware that the price being quoted is a Large-in-Scale Trade price.

4.5.12A The Large-in-Scale Trade Executing Member is responsible for assigning the price of the Large-in-Scale Trade. For the Large-in-Scale Trade to be authorised by the relevant Euronext Market Undertaking, the price assigned must represent a fair value for that trade, as determined by the Relevant Euronext Market Undertaking.

### **Large-in-Scale Trade Execution**

4.5.13 Once a Large-in-Scale Trade has been negotiated, the Large-in-Scale Trade Executing Member(s) must submit the Large-in-Scale Trade details to the Relevant Euronext Market Undertaking, as specified in Trading Procedures 4.5.15 to 4.5.17. Where a Member is unable to execute the Large-in-Scale Trade himself, he must ensure that he has arrangements in place with another appropriately authorised Member to submit and execute Large-in-Scale Trades before he negotiates any such Large-in-Scale Trade.

Submission by Large-in-Scale Executing Members shall occur in one of two ways:

- (a) either one Member is authorised by his counterparties to enter all legs and/or sides of the Trade and see to it that other Members involved are properly allocated their respective side of the Trade; or
- (b) each Member involved enters the relevant details for his respective leg(s) and/or side(s) with a view to having such trade details matched within the Euronext Matching Engine.

4.5.14 [Deleted]

4.5.15 In respect of each Large-in-Scale Trade order, the following details must be recorded on an order slip, or, where the Member employs an electronic system for order routing, must be recorded electronically, by the Large-in-Scale Trade Executing Member:

- (i) time of order receipt;
- (ii) an indication of “buy” or “sell”;
- (iii) Contract(s) in which the Large-in-Scale Trade is being transacted;
- (iv) strategy (as applicable)
- (v) delivery/expiry month(s);
- (vi) exercise price(s) (as applicable);
- (vii) price of each leg of the trade;
- (viii) number of lots of each leg of the trade
- (ix) an indication of “open” or “close” (customer account) where applicable;
- (x) the Transaction ID where applicable; and
- (xi) name of the individual authorised to submit Large-in-Scale Trades on behalf of the Member.

All information required to be retained by the Large-in-Scale Trade Executing Member, pursuant to this Trading Procedure, must be retained by the Member for five years.

- 4.5.16 It is the Member’s responsibility to ensure that only staff he has authorised negotiate or enter into Large-in-Scale Trades on his behalf. Members must also ensure that only staff they have authorised submit details of Large-in-Scale Trades to the Relevant Euronext Market Undertaking.
- 4.5.17 Once the Large-in-Scale Trade has been negotiated, the Large-in-Scale Trade Executing Member must submit details, contained in Trading Procedure 4.5.15 (ii) to (x) inclusive, of the Large-in-Scale Trade to the Relevant Euronext Market Undertaking as soon as practicable.
- 4.5.18 Members must not delay submission of a Large-in-Scale Trade.
- 4.5.19
- 4.5.20 [Deleted]
- 4.5.21 [Deleted]

- 4.5.22 The Relevant Euronext Market Undertaking will check the validity of the Large-in-Scale Trade details submitted by the Large-in-Scale Trade Executing Member and assess whether the price represents fair value for that trade, taking into account, inter alia, the liquidity of the contract concerned. If the Relevant Euronext Market Undertaking (following consultation, where necessary, with the Clearing Organisation) is satisfied that all such details are valid, it will authorise execution of the Large-in-Scale Trade. The Large-in-Scale Trade volume will be shown as executed to the Large-in-Scale Executing Member via the dedicated order entry access through which the Large-in-Scale Trade was submitted.
- 4.5.23 Authorisation by the Relevant Euronext Market Undertaking of a Transaction does not preclude the instigation of enforcement procedures in the event that the Transaction is subsequently found to have been made other than in compliance with the Rules and Trading Procedures.
- 4.5.24 Upon request by the Relevant Euronext Market Undertaking the Large-in-Scale Trade Executing Member must produce satisfactory evidence that the Large-in-Scale Trade(s) has been negotiated in accordance with the Rules and these Trading Procedures

#### **Publication of Large-in-Scale Trades**

- 4.5.25 Except in the cases specified in Trading Procedure 4.5.26, once the trade has been authorised, the following information with respect to the Large-in-Scale Trade will be published immediately by the Relevant Euronext Market Undertaking with a relevant trade type indicator:
- (i) Contract(s) and delivery/expiry month(s);
  - (ii) price of each delivery/expiry month(s) and exercise price(s) (as applicable); and
  - (iii) volume of each delivery/expiry month.

Details of the Large-in-Scale Trade will also be broadcast.

- 4.5.26 For those Exchange Contracts designated for such purposes in Annexe One to these Trading Procedures, Members may opt for deferred publication of a Large-in-Scale Trade at the end of that Trading Day. Publication is deferred if at least one Member counterparty to the Trade has expressly requested it.

For the avoidance of doubt, election of publication deferral is without effect on the timetables for trade detail submission to the Relevant Euronext Market Undertaking, as provided for by Trading Procedure 4.5.17, which have to be strictly observed irrespective of the contemplated publication mode.