

**Application for Registration of**

**Euronext Paris**

**as a Foreign Board of Trade**

***Clearing Organization:***

***LCH SA***

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## SECTION 1: SUMMARY OF THE EURONEXT FBOT APPLICATIONS

This application for registration under the Foreign Boards of Trade (FBOT) regime is made by Euronext Paris, which is part of the Euronext group.

In addition, application for registration under the FBOT regime is being made separately by the following entity:

- Euronext Amsterdam NV

These entities are wholly-owned subsidiaries of Euronext NV which is itself a subsidiary within the Euronext group. Details can be found in Section 2 (Business Organization) and the Hierarchy Structure Chart for the Group is included at Appendix 1.

The Euronext derivatives markets include the markets operated by Euronext Amsterdam, Euronext Brussels, Euronext Lisbon and Euronext Paris.

The entities making application for registration as FBOTs currently benefit from no-action relief, as follows:

Entity	Location	Action	Date
Euronext Paris	Paris, FR	No-Action Letter Issued	08/10/1999
Euronext Amsterdam	Amsterdam, NL	No-Action Letter Issued	08/26/2005
Euronext Paris	Paris, FR	Amended No-Action Letter Issued	09/29/2006

Euronext Brussels SA/NV does not benefit from foreign terminal no-action relief and is not seeking for the time being permission to make its electronic trading system available to Members in the United States (for background, Euronext Brussels lists futures and options on futures on its national equity index, the BEL 20®. No-action relief was obtained on 31 August 2011 for offer and sale in the US of the futures contract based on the BEL 20®).

Euronext Lisbon does not currently benefit from foreign terminal no-action relief nor from any no-action relief for offer and sale of index futures contract and is not seeking registration as an FBOT at this time.

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## SECTION 2: GLOSSARY

In this FBOT application, the terms below shall have the meaning ascribed next to them:

Term	Meaning
ACPR	The Autorité de Contrôle Prudentiel et de Résolution in France which operates under the auspices of the French central bank, Banque de France. The ACPR's mission includes preservation of the stability of the financial system.
AMF	Autorité des Marchés Financiers, which is the regulatory body in France for the financial services industry
Book I	Euronext's Harmonised Rules
Book II	Non Harmonised Rules relating to the specific Euronext market (e.g. Euronext Amsterdam, Euronext Paris)
CCG	Euronext's Common Customer Gateway which is a messaging interface between the UTP Matching Engine and the Member's front end trading application
CEA	Commodity Exchange Act 1936, as since amended from time to time
Commission	The CFTC
EC	European Commission
ESMA	The European Securities and Markets Authority, an independent authority continuing the work of the former Committee of European Securities Regulators (CESR) but with new competencies and powers
Euronext	The Euronext group. Euronext operates Derivatives Markets and Securities Markets
Euronext's derivatives markets.	References to the derivatives business include equity and index options, single stock futures, single stock dividend futures and narrow-based index products although these products do not form part of this FBOT application
ITM	Individual Trader Mnemonic
M&C	Monitoring and Control System
MiFID2	Directive 2014/65/EC of the European Parliament and of the Council on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU
MIFIR	Regulation 600/2014/EU of the European Parliament and of the Council on markets in financial instruments
Pricer	Pricing and settlement sub-system which generates indicative prices for all options and futures contracts
SEC	The US Securities and Exchange Commission
SFTI	ICE's Secure Financial Transaction Infrastructure network over which all Euronext services are delivered
UTP	Euronext's Universal Trading Platform (UTP), developed to replace, inter alia, LIFFE Connect®
XDP	Euronext's Exchange Data Publisher

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## **SECTION 3: EXHIBITS**

**EXHIBIT A: GENERAL INFORMATION AND DOCUMENTATION**

**A-1:**

**A description of the following for the foreign board of trade: Location, history, size, ownership and corporate structure, governance and committee structure, current or anticipated presence of offices or staff in the United States, and anticipated volume of business emanating from members and other participants that will be provided direct access to the foreign board of trade's trading system.**

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***Location, history, size, ownership and corporate structure, governance and committee structure, current or anticipated presence of offices or staff in the United States***

This application for registration under the Foreign Boards of Trade (FBOT) regime is made by Euronext Paris SA (Euronext Paris).

Euronext Paris is a wholly-owned subsidiary of Euronext NV, the holding company of Euronext group. Details can be found in Section 2 (Business Organization) and the Hierarchy Structure Chart for the Group is included at Appendix 1.

The Euronext derivatives markets include the markets operated by Euronext Amsterdam, Euronext Brussels, Euronext Lisbon and Euronext Paris.

Euronext Paris currently benefits from no-action relief granted by the CFTC as follows:

<b>Entity</b>	<b>Location</b>	<b>Action</b>	<b>Date</b>
Euronext Paris	Paris, FR	No-Action Letter Issued	08/10/1999
Euronext Paris	Paris, FR	Amended No-Action Letter Issued	09/29/2006

The Euronext markets are harmonised in terms of trading platform and membership criteria. Each market operates in accordance with the Harmonised Rules in Book I as well as the specifically tailored rules in each market's Book II. The investor profiles are different across the markets because the product offerings are not the same in each market.

***Location***

The head office of Euronext Paris is situated at the following address:  
14 place des Reflets - CS 30064  
92054 Paris La Défense Cedex

## ***History***

The creation of a stock exchange in Paris was authorised by a Royal Order in 1724, although the first list of agents de change had already been published in 1684. The agents de change corporation was disbanded in 1791 and trading was then done without intermediaries. In 1801, the Paris Bourse was officially recognized.

The futures exchange, MATIF, was launched in 1986 to trade contracts on government bonds. The MONEP equity options exchange was launched a year later. In 1988, the MATIF added commodity contracts to its range of products.

With the Stock Market Reform Act of 1988, the Société des Bourses Françaises was incorporated as a limited company.

France's four market operators—SBF, Matif SA, Monep SA and Société du Nouveau Marché—merged to form a new company, ParisBourse SBF SA in 1999.

Euronext was created in the following year through the merger of the Paris, Amsterdam and Brussels exchanges. ParisBourse SBF SA changed the corporate name to Euronext Paris SA.

In December 2001, Euronext NV acquired the shares of the London International Financial Futures and Options Exchange (LIFFE). In 2002 the group merged with the Portuguese stock exchange Bolsa de Valores de Lisboa e Porto (BVLPA), renamed Euronext Lisbon.

On April 4, 2007, NYSE Group Inc. and Euronext NV combined to create NYSE Euronext.

In 2013, NYSE Euronext was acquired by Intercontinental Exchange (ICE).

In March 2014, a new entity called Euronext NV was incorporated within the ICE group that became the parent of, among other entities, Euronext Paris, Euronext Brussels and Euronext Amsterdam. In June 2014, this entity was separated from the ICE group by means of an IPO.

Since then, Euronext NV has been an independent listed company.

## ***Size***

In terms of size, Euronext's European derivatives products had an average daily value (ADV) contracts executed through the trading platform.

The respective contributions of the FBOTs applying for registration\* were as follows in 2017:

Market	ADV in 2017	% of total ADV
Euronext Amsterdam	263,194	47.8
Euronext Paris	281,373	51.1

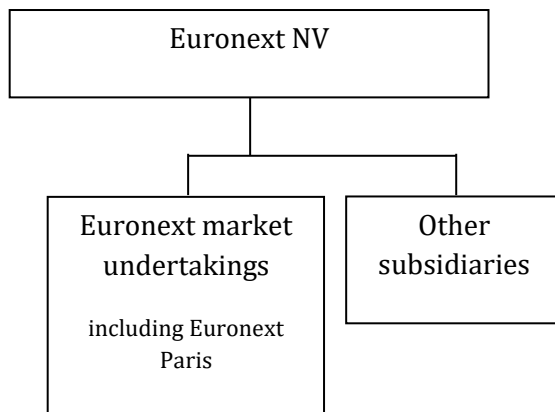
\* the respective figures for Euronext Brussels and Euronext Lisbon, which are not applying for registration, were 4868/0.9% and 670/0.1%.

**Ownership and corporate and committee structure**

The ownership and corporate structure of Euronext Paris is described in Section 2 (Business Organization) of the Form FBOT included at Section 4 of this application.

Euronext NV is a public company established under the laws of the Netherlands in 2014.

The main companies in the family tree are as follows:



The governance of the derivatives markets reflects the integration and harmonisation of the markets. Euronext NV, the European holding company, is a Dutch company with a two-tier governance structure comprising a Supervisory Board and a Managing Board. The Supervisory Board is responsible for overseeing the actions and policies of the Managing Board and the general course of Euronext’s business activities.



Euronext Paris is a limited liability company incorporated under the laws of France. Euronext Paris is a market operator and is governed by the French Monetary and Financial Code. In addition to its status as a market operator, Euronext Paris is governed by certain aspects of French prudential legislation and regulations, making it subject to supervision by the *Autorité de Contrôle Prudentiel et de Résolution* (the ACPR, which is the Prudential Supervisory Authority), and must comply with certain ratios and requirements including minimum equity requirements and solvency ratios.

The Managing Board of Euronext Paris is responsible for determination of the policy and implementation of managerial decisions for both the Cash and Derivatives businesses. The Euronext's Paris Board comprises three Board Members including the Chief Executive Officer.

In February 2015, Euronext Paris launched its User Committee. The Euronext Paris User Committee is an advisory body set up to advise on initiatives, new products, services and competitive positioning. It is consulted on key issues for Euronext users and meet on a quarterly basis.

Committee Members include stakeholder representatives such as listed companies and issuers of financial products, brokers and investors, plus representatives of professional associations in the security industry and commodities.

In addition, Expert Committees may be created according to the family of products (for example: Wheat Expert Committee, Rapeseed Expert Committee). These committees assist Euronext Paris and LCH SA (the clearing organization of Euronext Paris) in the technical management of contracts. The membership of these committees includes a balanced representation of the product professionals, the members of MATIF, the heads of Euronext Paris and LCH SA.

### ***Presence in the US***

With reference to the current or anticipated presence of offices or staff in the United States, Euronext (including Euronext Paris) has no operations in the US and has no facility for accepting orders in the US. Euronext (including Euronext Paris) also has no clearing infrastructure or similar operations in the US.

Euronext has been committed to marketing its CFTC approved products to US based customers for many years. Commercial teams are able and willing to travel to keep contact with US based participants and are focused on regular interaction with a wide range of US based market users including proprietary trading firms, buy-side participants and FCMs.

Marketing activities include educational seminars, participation in industry conferences, email-based campaigns and an ongoing program of one-on-one visits. These activities prioritize communication of new initiatives such as new product launches, as well ongoing marketing of existing products and services. The target audience includes traders, asset managers, leveraged funds, CTAs, sell-side staff at FCMs and banks.

***Anticipated volume of business emanating from members and other participants that will be provided direct access to the foreign board of trade's trading system.***

The anticipated volume of business is expected to be in line with the volume of business which is currently executed with no-action relief. For Euronext Paris, the volumes in Quarter 4 of 2017 from US terminals were:

<b>Buy-side</b>	1 449 105
<b>Sell-side</b>	1 415 288
<b>Total</b>	2 864 393

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**EXHIBIT A: GENERAL INFORMATION AND DOCUMENTATION**

**A-2:**

**Articles of association, constitution, or other similar organizational documents.**

Please see Appendix 2 for the Articles of association of Euronext Paris.

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**EXHIBIT A: GENERAL INFORMATION AND DOCUMENTATION****A-3:****(1) Membership and trading participant agreements.****(2) Clearing agreements.**

Please see Appendix 3 for the following:

- Euronext Membership Application Form, and
- Membership Information Form.

A Clearing Agreement between Euronext and LCH SA was signed in 2001 and renegotiated successively in 2013, then in 2017.

As a consequence of the latest re-negotiation, a Derivatives Clearing Agreement between Euronext and LCH SA was agreed on 31 October 2017, pursuant to which LCH SA provides clearing services to our continental Europe derivatives markets.

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**EXHIBIT A: GENERAL INFORMATION AND DOCUMENTATION****A-4:****Terms and conditions of contracts to be available through direct access (as specified in Exhibit E).**

Please see Appendix 4 for the Contract Specifications.

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**EXHIBIT A: GENERAL INFORMATION AND DOCUMENTATION****A-5:****The national statutes, laws and regulations governing the activities of the foreign board of trade and its respective participants.**

Please see Appendix 5 for the Monetary and Financial Code (Code Monétaire et Financier).

Members are subject to local provisions depending on where they are authorised and regulated.

For Members in the EU, the provisions are largely determined by Title II of MiFID2 (“Authorization and operating conditions for investment firms”), which is included in Appendix 5.

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**EXHIBIT A: GENERAL INFORMATION AND DOCUMENTATION****A-6:****The current rules, regulations, guidelines and bylaws of the foreign board of trade.**

Please see Appendix 6 for the following:

- Book I (Harmonised Rules)
- Book II (Specific rules applicable to the French regulated markets)
- Euronext Trading Procedures

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**EXHIBIT A: GENERAL INFORMATION AND DOCUMENTATION**

**A-7:**

**Evidence of the authorization, licensure or registration of the foreign board of trade pursuant to the regulatory regime in its home country jurisdiction and a representation by its regulator(s) that it is in good regulatory standing in the capacity in which it is authorized, licensed or registered.**

The following is an extract from the MiFID database on ESMA’s website:

[https://registers.esma.europa.eu/publication/searchRegister?core=esma\\_registers\\_mifid\\_rma](https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_mifid_rma)

Status	MIC code	Name	Instrument Identifier	Country code	Authority	Applicable from	More Info
Unchanged	XMAT	MATIF		FR	Autorité des Marchés Financiers (AMF)		
Unchanged	XMON	MONEP All		FR	Autorité des Marchés Financiers (AMF)		

In addition, the AMF website evidences the authorisation of Euronext Paris:

[http://www.amf-france.org/en\\_US/Acteurs-et-produits/Marches-financiers-et-infrastructures/Marches-reglementes.html?langSwitch=true](http://www.amf-france.org/en_US/Acteurs-et-produits/Marches-financiers-et-infrastructures/Marches-reglementes.html?langSwitch=true)

Please see Exhibit F in respect of the representation of good regulatory standing.

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**EXHIBIT A: GENERAL INFORMATION AND DOCUMENTATION****A-8:**

**A summary of any disciplinary or enforcement actions or proceedings that have been brought against the foreign board of trade, or any of the senior officers thereof, in the past five years and the resolution of those actions or proceedings.**

In connection with an investigation by the AMF of the trading pattern of a member firm using algorithmic trading strategies, the AMF notified Euronext Paris in 2013 that the exemption from certain fees (in securities markets only) granted in a non-public way to the trading firm under investigation may have been a violation of the General Regulations of the AMF by Euronext Paris in its capacity as a market operator. On 8 December 2015, the Enforcement Committee of the AMF sentenced Euronext Paris S.A. to pay a fine of €5.0 million for alleged wrong-doing in the HFT pilot program launched by NYSE Euronext in 2009 and discontinued in 2010. Euronext Paris lodged an appeal against the decision in front of Conseil d'Etat in February 2016. However, the Conseil d'Etat finally confirmed on 19 May 2017 the AMF ruling<sup>1</sup>.

[Redacted Confidential Text]

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<sup>1</sup> <http://www.amf-france.org/Sanctions-et-transactions/Decisions-des-juridictions-de-recours/Conseil-d-Etat?recoursTab=true&docId=workspace%3A%2F%2FSpacesStore%2Ffc9aa9dd-3556-4ff7-8095-6146b3f3f805>

**EXHIBIT A: GENERAL INFORMATION AND DOCUMENTATION****A-9:**

**An undertaking by the chief executive officer(s) (or functional equivalent[s]) of the foreign board of trade to notify Commission staff promptly if any of the representations made in connection with or related to the foreign board of trade's application for registration cease to be true or correct, or become incomplete or misleading.**

Please see attached.

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I hereby undertake to notify Commission staff promptly if any of the representations made in connection with or related to this foreign board of trade's application for registration cease to be true or correct, or become incomplete or misleading.

Name: **Anthony Attia**

Job Title: CEO, Euronext Paris SA

Signature:

Date:

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**EXHIBIT B: MEMBERSHIP CRITERIA**

**B:**

**(1) A description of the categories of membership and participation in the foreign board of trade and the access and trading privileges provided by the foreign board of trade. The description should include any restrictions applicable to members and other participants to which the foreign board of trade intends to grant direct access to its trading system.**

**(2) A description of all requirements for each category of membership and participation on the trading system and the manner in which members and other participants are required to demonstrate their compliance with these requirements. The description should include, but not be limited to, the following:**

**(i) Professional Qualification. A description of the specific professional requirements, qualifications, and/or competencies required of members or other participants and/or their staff and a description of the process by which the foreign board of trade confirms compliance with such requirements.**

**(ii) Authorization, Licensure and Registration. A description of any regulatory and self-regulatory authorization, licensure or registration requirements that the foreign board of trade imposes upon, or enforces against, its members and other participants including, but not limited to any authorization, licensure or registration requirements imposed by the regulatory regime/authority in the home country jurisdiction(s) of the foreign board of trade. Please also include a description of the process by which the foreign board of trade confirms compliance with such requirements.**

**(iii) Financial Integrity. A description of the following:**

**(A) The financial resource requirements, standards, guides or thresholds required of members and other participants.**

**(B) The manner in which the foreign board of trade evaluates the financial resources/holdings of its members or participants.**

**(C) The process by which applicants demonstrate compliance with financial requirements for membership or participation including, as applicable:**

**(i) Working capital and collateral requirements, and**

**(ii) Risk management mechanisms for members allowing customers to place orders.**

**(iv) Fit and Proper Standards. A description of how the foreign board of trade ensures that potential members/ other participants meet fit and proper standards.**

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**B(1):**

***A description of the categories of membership and participation in the foreign board of trade and the access and trading privileges provided by the foreign board of trade. The description should include any restrictions applicable to members and other participants to which the foreign board of trade intends to grant direct access to its trading system.***

The membership criteria set out in Book I of the Rules apply in respect of all the Euronext Derivatives Markets and the Euronext Securities Markets. For the purposes of this FBOT application, it is the Euronext Derivatives Markets membership that is relevant.

Membership of a Euronext Derivatives Market allows for direct access to that market's products. Membership of each Euronext Derivatives Market is separate and distinct although a "fast track" process enables a Member of one market to apply for membership of any other by submitting a short extension application form.

In order to trade on the market(s), an applicant must make the necessary arrangements for trading including, for example, appointing a Clearing Member for that market and where applicable, ensuring it has the necessary regulatory permissions to trade the products they have selected on that market.

Only applicants for membership which are located in jurisdictions with satisfactory regulatory arrangements both in terms of the supervision of investment activity and sharing of information will be considered. In addition, product restrictions may apply depending on the location of the applicant, such as limitations on US customers pursuant to regulatory restrictions (e.g. no direct access for equity options).

There are not separate categories of membership for separate products other than the broad categories of Euronext Derivatives Membership and Euronext Securities Membership.

All Clearing members of the markets of Euronext must hold membership of LCH SA.

Members may also obtain direct access to the market for one or more of their related companies. Rule 3.4 of Book I sets out the requirements for such access and defines the ownership condition which must be satisfied in order for a firm to qualify as an Affiliate. All business undertaken by the Affiliate will be in the name of the Member and the Member retains full responsibility for the conduct of all such business.

As at 31 January 2018, Euronext Paris had 151 Members.

**B (2):**

***A description of all requirements for each category of membership and participation on the trading system and the manner in which members and other participants are required to demonstrate their compliance with these requirements.***

Section 2.2 of Book I of the Rules sets out the harmonised requirements for membership of a Euronext Derivatives Market, which may be augmented by specific requirements for a particular market. At present, no such specific requirements are in place.

Membership of a Euronext Derivatives Market is open to two broad categories of firms:

- (a) firms which are authorised by the competent authorities of a European Member State pursuant to the European Directives concerning investment services and banking<sup>2</sup> (“MIFID firms”); and
- (b) other firms (“Non-MIFID firms”), including:
  - (i) those which are authorised by regulatory entities located outside the European Union; and
  - (ii) European firms whose activities are excluded from the scope of the MIFID (e.g. some pure commodity traders).

The criteria for eligibility for membership are contained in Rule 2201 of Book I:

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

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<sup>2</sup> MIFID2 and the CRD IV package setting out capital requirements, including Directive 2013/36/EU and Regulation 575/2013

- (b) that it is of sufficient good repute;
- (c) that it has a sufficient level of trading activity, competence and experience; and
- (d) that it has adequate organisational arrangements
- (iii) that its staff are suitably qualified and experienced in order to implement and maintain adequate internal procedures and controls in relation to its intended business on the market;
- (iv) that, where relevant, it has entered into any agreement contemplated by this Rule Book and has met any technical requirements specified by the Relevant Euronext Market Undertaking;
- (v) that it can demonstrate fluency of its relevant personnel in English or in one of the languages of the Relevant Euronext Market Undertaking;
- (vi) that it can demonstrate that it has sufficient resources for the role(s) it intends to perform on the market; and
- (vii) any other criteria which the Relevant Euronext Market Undertaking may prescribe with regard to Membership and publish by Notice.”

All of the membership criteria apply as continuing obligations for firms admitted to membership.

Article 53 of MiFID2 states that Member States shall require regulated markets to establish and maintain transparent and non-discriminatory rules, based on objective criteria, governing access to or membership of the regulated market.

***The description should include, but not be limited to, the following:***

***(i) Professional Qualification. A description of the specific professional requirements, qualifications, and/or competencies required of members or other participants and/or their staff and a description of the process by which the foreign board of trade confirms compliance with such requirements.***

Before an application for membership is submitted, Euronext staff will discuss with the prospective applicant the criteria to be fulfilled in order to identify any potential obstacles.

The applicant will then complete the membership application forms – please see Exhibit A-3(1).

Following detailed review of an application, Euronext conducts a visit or conference call to ensure the applicant has adequate controls and procedures in place for the scale and nature of its intended operation as a Member.

The areas that are covered include (but are not limited to): management structure, front and back office, compliance, risk, back office and operations (including post trade processing/clearing), account opening procedures and client documentation (where applicable), experience of relevant staff, training and supervision, and personal account dealing (where applicable).

As part of its system of internal controls, a Member is required to have documented internal procedures specific to its capacity on the Euronext Markets. Such procedures must reflect how specific functions and tasks are carried out by the Member. Guidance is provided to applicants on the procedures which must be in place – please see Appendix 7.

Whilst applicants are required as part of the application process to disclose any disciplinary actions, due diligence checks are carried out by Euronext on the applicant, its parent company(ies) including shareholders using a threshold for inclusion of 20% and its key personnel. Such checks are made using various search engines and regulatory websites. Any adverse information is escalated internally and where necessary any recommendations or remedies are actioned. An example of an instance in which membership would be denied might be where there remained uncertainties about the fitness and probity of an applicant which was not subject to authorisation by a Competent Authority.

Euronext does not prescribe professional qualifications (although these may be required by an applicant's regulator or supervisor) but requires an applicant to demonstrate that its staff are suitably qualified and experienced in relation to the applicant's intended business on the market. The competence requirement is tailored to the nature and scale of business which the applicant proposes to conduct on Euronext.

***(ii) Authorization, Licensure and Registration. A description of any regulatory and self-regulatory authorization, licensure or registration requirements that the foreign board of trade imposes upon, or enforces against, its members and other participants including, but not limited to any authorization, licensure or registration requirements imposed by the regulatory regime/authority in the home country jurisdiction(s) of the foreign board of trade. Please also include a description of the process by which the foreign board of trade confirms compliance with such requirements.***

Applicants for membership must be appropriately authorised, or otherwise licensed or permitted by a regulatory authority to conduct business on the market or, in the absence of such a requirement, applicants must be able to demonstrate to Euronext that they are fit and proper and enjoy the business standing suitable for admission to membership.



Rule 2102 of Book I refers to the regulatory authorization required:

“2102/1 Membership capacities are determined by the scope of the Member’s authorisation, licence or permission from the relevant competent authority, where such authorisation, licence or permission is required, though a Member may, if he so wishes, restrict such scope in respect of his activities on one or more of the Euronext Markets”

Compliance with the requirement for regulatory authorization is confirmed by Euronext by reference to the relevant regulator or its published information.

***(iii) Financial Integrity. A description of the following:***

***(A) The financial resource requirements, standards, guides or thresholds required of members and other participants.***

Financial resources and capital adequacy requirements are imposed on Members by the relevant prudential regulator or supervisor of the firms concerned (where such firms are authorised or licensed) and, in the case of Clearing Members, by the relevant Clearing House. For Members in Europe the standards set by MiFID2 and the CRDIV package are applied by the relevant competent authority. The main prudential regulators for Members of the Euronext markets are, as far as Euronext countries are concerned:

Belgium: Financial Services and Markets Authority

France: Autorité de Contrôle Prudentiel et de Résolution

Netherlands: Autoriteit Financiële Markten

UK: PRA.

Outside Europe, the main regulators of Members of the Euronext markets are:

Hong Kong: Securities and Futures Commission

Israel: the Israeli Securities Authority (ISA)

Singapore: Monetary Authority of Singapore

Switzerland: Swiss Financial Market Supervisory Authority (FINMA)

US: CFTC.

Additional requirements are not imposed by Euronext.

Euronext still maintains the right to request Members and applicants for membership to furnish such financial information as it deems appropriate and, pursuant to Rule 2401 (Book I), Members are required to notify the Exchange in the event of insolvency or other similar event occurring.

The capital requirements imposed on Clearing Members by LCH vary depending on the markets on which the Members are active and whether they clear the business of other Members in addition to clearing their own business. Clearing Members must also comply with the regulatory capital requirements relevant to their regulated activities.

For non-clearing firms, it is the responsibility of each Clearing Member to determine the appropriate level of cash/collateral which it requires from the members for whom it clears.

***(B) The manner in which the foreign board of trade evaluates the financial resources/holdings of its members or participants.***

As stated in (A) above, financial resources and capital adequacy requirements are imposed by Members' prudential regulator or supervisor. The regulatory model in Europe is that evaluation of the financial resources/holdings of a Member is made by the relevant prudential regulator or supervisor. The Single Market Directives<sup>3</sup> expressly reserve responsibility for the prudential supervision of a MiFID investment firm to its Home State regulator.

Euronext ensures that each Member is regulated and subject to appropriate financial resources requirements.

***(C) The process by which applicants demonstrate compliance with financial requirements for membership or participation including, as applicable:***

***(i) Working capital and collateral requirements, and***

As stated in (A) and (B) above, financial resources and capital adequacy requirements are imposed by Members' prudential regulator or supervisor. Monitoring a firm's working capital is within the jurisdiction of the relevant prudential regulator or supervisor. Collateral requirements are set by the relevant clearing house.

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<sup>3</sup> The European Directives which provide the framework for unification within the European Economic Community, and which include the CRDIV package and MiFID2.

***(ii) Risk management mechanisms for members allowing customers to place orders.***

Rules 8106/3 and 8106/4 of Book I provide that:

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

- (i) to vet orders prior to their submission to the Central Order Book, irrespective of whether such orders have been submitted manually or electronically (including via an Automated Order Routing System or via Sponsored Access);

and

- (ii) to monitor the positional and financial risks inherent in the business it conducts.

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

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

When documenting its procedures for risk management, an applicant should as a minimum consider the following:

- the security arrangements in place to prevent unauthorised access to the trading systems
- the pre-trade risk filters that are in place and that they comply with Rule 8106/4
- how are the filters set
- who is authorised to set them
- how often they are reviewed and by whom
- who is authorised to change them
- what intra-day risk analysis is performed and how
- who monitors for attempted breaches of limits, how these are escalated and what action is then taken, and
- business continuity and disaster recovery procedures.

Compliance is checked at the admission stage through review of documentation and a compliance visit or conference call.

Compliance on an ongoing basis is checked through audits of Members using a risk-based approach.

#### ***Direct access to the trading system***

Only Members and their Affiliate(s) have direct access to the trading system. The scope of access is dictated by the entity's regulatory authorisation and by the products for which Euronext has granted approval to the Member.

In relation to the US, Euronext restricts direct access to Members by means of hardware, password control, and other similar physical or electronic security measures. Access is limited to those products for which Euronext has obtained no-action relief.

Members in the US acting on behalf of customers will be Futures Commission Merchants (FCMs), Commodity Trading Advisors (CTAs) or Commodity Pool Operators (CPOs).

The Rules place an onus on Members to have adequate security measures to restrict access to the trading system to persons authorised by the Member.

#### ***(iv) Fit and Proper Standards. A description of how the foreign board of trade ensures that***

***potential members/other participants meet fit and proper standards.***

The authorisation of an Investment Firm as a MIFID firm or a Credit Institution by a competent authority is normally sufficient to meet the “fit and proper” requirements for membership of a Euronext market.

In the case of a non-MIFID firm, the applicant must demonstrate to Euronext’s satisfaction that it is “fit and proper” and, if applicable, is authorised or otherwise licensed or permitted to conduct business on a Euronext Derivatives Market.

Rule 2201/1(iii) of Book I requires an applicant to ensure “that his staff are suitably qualified and experienced in order to implement and maintain adequate internal procedures and controls in relation to his intended business on the market.”

All applicants are asked to complete a compliance questionnaire to ensure that they meet the fit and proper criteria. Information provided in the compliance questionnaire is followed up by Euronext with a conference call or a visit to the applicant’s offices to discuss their internal controls and procedures in further detail.

C

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**EXHIBIT C: BOARD AND/OR COMMITTEE MEMBERSHIP**

**C:**

**(1) A description of the requirements applicable to membership on the governing board and significant committees of the foreign board of trade.**

**(2) A description of the process by which the foreign board of trade ensures that potential governing board and committee members/other participants meet these standards.**

**(3) A description of the provisions to minimize and resolve conflicts of interest with respect to membership on the governing board and significant committees of the foreign board of trade.**

**(4) A description of the rules with respect to the disclosure of material non-public information obtained as a result of a member’s or other participant’s performance on the governing board or significant committee.**

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***C(1):***

***A description of the requirements applicable to membership on the governing board and significant committees of the foreign board of trade.***

The governance of the Euronext's Derivatives Markets reflects the integration and harmonisation of the markets. Euronext NV, the European holding company, is a Dutch company with a two-tier governance structure comprising a Supervisory Board and a Managing Board.

The Supervisory Board is responsible for overseeing the actions and policies of the Managing Board and the general course of Euronext's business activities.

The Managing Board meets regularly to discuss strategy, policy and implement managerial decisions for both the Cash and Derivatives businesses. The Managing Board also serves as the managing board for each of the Euronext Markets.

The Supervisory Board of Euronext NV is composed of nine non-executive members. The Supervisory Board has appointed an Audit Committee, a Remuneration Committee and a Nomination and Governance Committee.

The composition of the Supervisory Board reflects general business and supervisory experience as well as experience gained in positions of responsibility in the wider community. Individual members of the Supervisory Board have expertise and experience in the functioning and operating of national, European and international capital markets. In addition to general skills, the specific expertise and experience in the following areas is represented in the Supervisory Board:

- finance, control and risk management
- national and international economics and monetary policy
- personnel and organisation
- information technology and data processing
- legislation and regulation
- financial institutions, banks and brokerage firms
- institutional and retail investors
- listed companies, and
- asset management, investment banking.

The appointment procedure is laid down in the articles of association of Euronext NV and in Dutch law. Members are appointed by the annual general meeting of the company. The Supervisory Board and the shareholders' meeting may recommend persons for appointment.

The Managing Board is composed of the CEO and the CEOs of the five Euronext markets.

Information in Euronext NV's annual report about members of the Supervisory Board and Managing Board includes their age, profession, primary position and nationality and, where relevant, any other capacities they exercise. Information about the members of the Supervisory Board and the Managing Board is also available on the company's website, [www.euronext.com](http://www.euronext.com).

Euronext Paris SA

Euronext Paris is a limited liability company incorporated under the laws of France.

The Euronext's Paris Board of Directors comprises three Board Members including the Chief Executive Officer.

**C (2):**

***A description of the process by which the foreign board of trade ensures that potential governing board and committee members/other participants meet these standards.***

The Board of Directors of Euronext Paris sets the orientations of the company's business and monitors their implementation for both the Cash and Derivatives businesses. The Board comprises three Board Members including the Chief Executive Officer.

With the exception of powers expressly assigned to the shareholders and within the limits of the company's purpose, the Board handles all matters involving the proper functioning of the company.

According to article 14 of the Articles of Association of Euronext Paris, the term of office of Directors is four years and they can be reappointed.

The Board elects its Chairman from among its Members for the office term of four years (article 15 of the Articles of Association). The Chairman represents the Board. He organizes and directs the Board's work and reports thereon, inter alia, to the Board. He ensures that Euronext Paris operates properly and that the directors are able to carry out their duties.

The Board of Directors can also decide to set up specialised committees. The composition and terms of reference of such committees are set by the Board, and the committees' activities are carried out under the responsibility of the Board.

Euronext ensures that proposed members of the Board and Board committees meet the standards described in Exhibit C(1) through reviewing candidates' biographies and interviews.

Euronext Paris sets the independence and qualification requirements for Directors taking into consideration the diversity, age, skills, and experience in the context of the needs of the Board.

Committee members should also meet the above criteria.

Euronext Paris currently has one committee appointed by the Board: the Euronext Paris User Committee is an advisory body set up to advise on initiatives, new products, services and competitive positioning. It is consulted on key issues for Euronext users and meet on a quarterly basis.

Committee Members include stakeholder representatives such as listed companies and issuers of financial products, brokers and investors, plus representatives of professional associations in the security industry and commodities.

***C (3):***

***A description of the provisions to minimize and resolve conflicts of interest with respect to membership on the governing board and significant committees of the foreign board of trade.***

It is recognised that conflicts may arise inadvertently through business or personal relationships with business associates, suppliers or competitors of Euronext.

Euronext Paris is a limited liability company incorporated under the laws of France. According to the French Commercial Code, the Directors must inform the Board of any actual or potential conflict of interests.

Directors must not permit their personal interests to conflict, or appear to conflict, with the interests of Euronext and any potential conflict of interest must be reported forthwith to the Company Secretary.

***C(4):***

***A description of the rules with respect to the disclosure of material non-public information obtained as a result of a member's or other participant's performance on the governing board or significant committee.***

Article L. 225-37 al. 5 of the French Commercial Code states that “The directors, and any other persons invited to attend board meetings, are bound by secrecy in regard to any information of a confidential nature presented as such by the chairman of the board of directors.” A breach of this provision can be sanctioned by a procedure before civil courts. These provisions are reminded in a chart called “règlement intérieur du Conseil d’administration” which details the functioning of the Board and the rights and obligations of its members.



In addition to their strict confidentiality obligations, Board members are subject to personal dealing rules which extend to their family members (living in the Board member's household or whose transactions may be influenced by the Board member), economic dependents and any entities over which the Board member has control.

Board members are prohibited from dealing in Euronext securities during the company's quarterly blackout periods and any other blackout periods set by the company, for example when a major corporate transaction is yet to be disclosed publicly.

Outside of the blackout periods, no Board member in possession of material non-public information may trade, or advise any other person to trade, in the company's securities until 24 hours after the material information is released to the public. At least one full trading day must have elapsed before a Board member deals in the company's securities or enters into any trading plan or arrangement in connection with the securities.

Board members must obtain pre-clearance from Compliance before engaging in any trade in Euronext securities.

Board members may not at any time engage in short-term speculative transactions involving Euronext securities; this prohibition includes short sales, puts and calls, caps and collars, margin and hedges. Persons other than directors must observe a 7 day minimum holding period for transactions involving Euronext securities.

On reasonable request from Compliance, Board members must provide account statements relating to transactions or dealings in any securities.

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**EXHIBIT D: THE AUTOMATED TRADING SYSTEM****D -1:**

A description of (or where appropriate, documentation addressing) the following, separately labeling each description:

**(1) The order matching/trade execution system, including a complete description of all permitted ways in which members or other participants (or their customers) may connect to the trade matching/execution system and the related requirements (for example, authorization agreements).**

**(2) The architecture of the systems, including hardware and distribution network, as well as any pre- and post-trade risk-management controls that are made available to system users.**

**(3) The security features of the systems.**

**(4) The length of time such systems have been operating.**

**(5) Any significant system failures or interruptions.**

**(6) The nature of any technical review of the order matching/trade execution system performed by the foreign board of trade, the home country regulator, or a third party.**

**(7) Trading hours.**

**(8) Types and duration of orders accepted.**

**(9) Information that must be included on orders.**

**(10) Trade confirmation and error trade procedures.**

**(11) Anonymity of participants.**

**(12) Trading system connectivity with clearing system.**

**(13) Response time.**

**(14) Ability to determine depth of market.**

**(15) Market continuity provisions.**

**(16) Reporting and recordkeeping requirements.**

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**D -1 (1):**

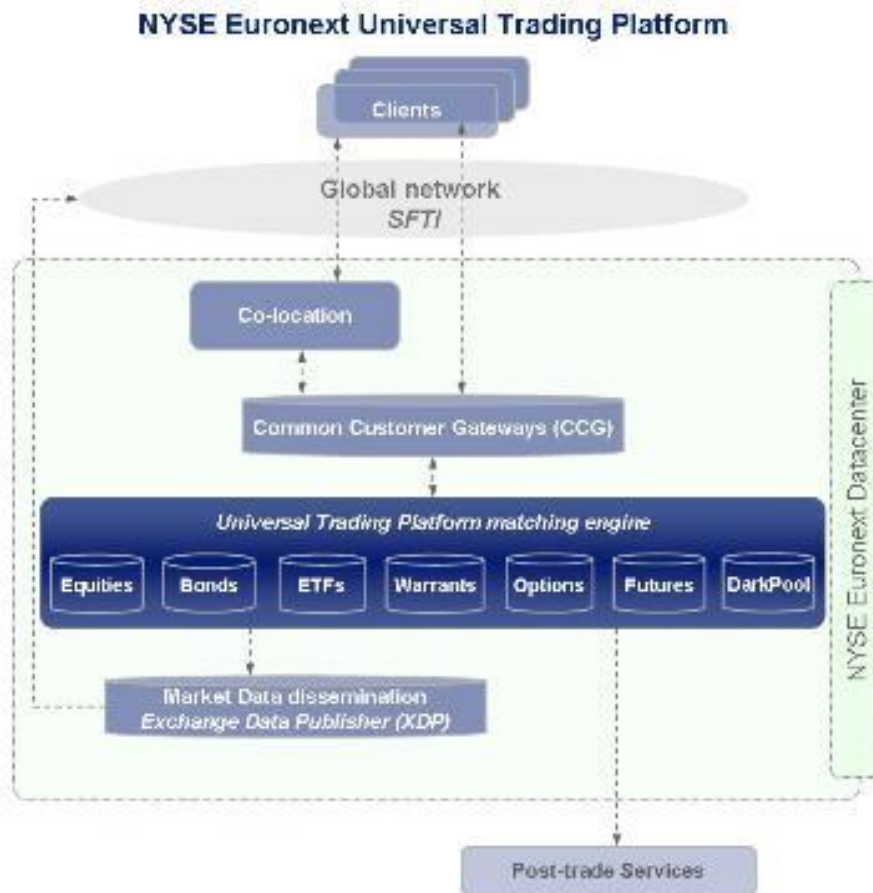
***The order matching/trade execution system, including a complete description of all permitted ways in which members or other participants (or their customers) may connect to the trade matching/execution system and the related requirements (for example, authorization agreements).***

Euronext's Universal Trading Platform (UTP) is the trading system for Euronext's derivatives and cash markets. UTP consists of a central trade matching engine, common customer gateways (CCG), drop copy server, exchange data publisher (XDP) and supporting systems.

Supporting systems include the Monitoring & Control (M&C) System and the Pricer.

All Euronext services are delivered over ICE's Secure Financial Transaction Infrastructure (SFTI®) network.

The following is a diagrammatic overview of UTP:



Each of the major components is described further below:

#### *UTP Matching Engine (ME)*

The Euronext markets are configured across four Matching Engines. Two Matching Engines are allocated to the Equities markets and two engines are allocated to the Financial markets.

Each Matching Engine holds the central order book for the markets it supports. The Matching Engines receive orders from connected front end trading applications, validates those orders against specific criteria such as price limits and stores each order ready to perform order matching where possible.

When orders match, the Matching Engine informs the respective traders and other participants in that market. Trade details are transmitted to the Post Trade/Clearing System for further processing. Traded prices and volume are also sent to quote vendors and others.

Data is sent to the AMF in Paris.

#### *Common Customer Gateway (CCG)*

[Redacted Confidential Text]

#### *Drop Copy Server*

The Drop Copy Server provides a facility for all Execution Reports for one user to be copied to one or more additional users. These users can be risk managers, clearers or other traders within the same trading firm. (A trader may choose to be a Drop Copy user for themselves so that they can use the Drop Copy feed in the event of a CCG failure.)

FIX and Binary interfaces are provided.

#### *Exchange Data Publisher (XDP)*

The Exchange Data Publisher (XDP) is made up of the following components:

- Real Time Publisher:

This provides the core market data publishing service for users. The publisher receives data from the Matching Engine and distributes that data to all users who have subscribed to the XDP service. Data is streamed in FIFO sequence to all subscribers and segmented into channels so that a subscriber may receive only the channels in which he is interested.

XDP publishes full depth of market data aggregated at each price level.

- Retransmission Server:

This provides a mechanism for users to replenish small snapshots of market data due to outages or sequence issues.

- Refresh Server:

This provides a mechanism for users to receive a current snapshot of the order book and is useful for users affected by outages or who start business intra-day. The Refresh Server enables customers to obtain a snapshot of the order book for each instrument and the latest trade and status information for each instrument.

- File Server – Referential Data:

XDP subscribers can receive Referential Data from the XDP Referential DataFile Server in XML format.

*(Universal Trading Manager) UTM*

[Redacted Confidential Text]

*Pricer*

The Pricing and Settlement sub-system (Pricer) receives underlying price feeds and uses theoretical pricing models to generate fair value prices for all Euronext options and futures contracts.

By setting parameters for a market sector, a model price is created that is indicative of the range of bid/ask prices that would be generated by the market in response to an order.

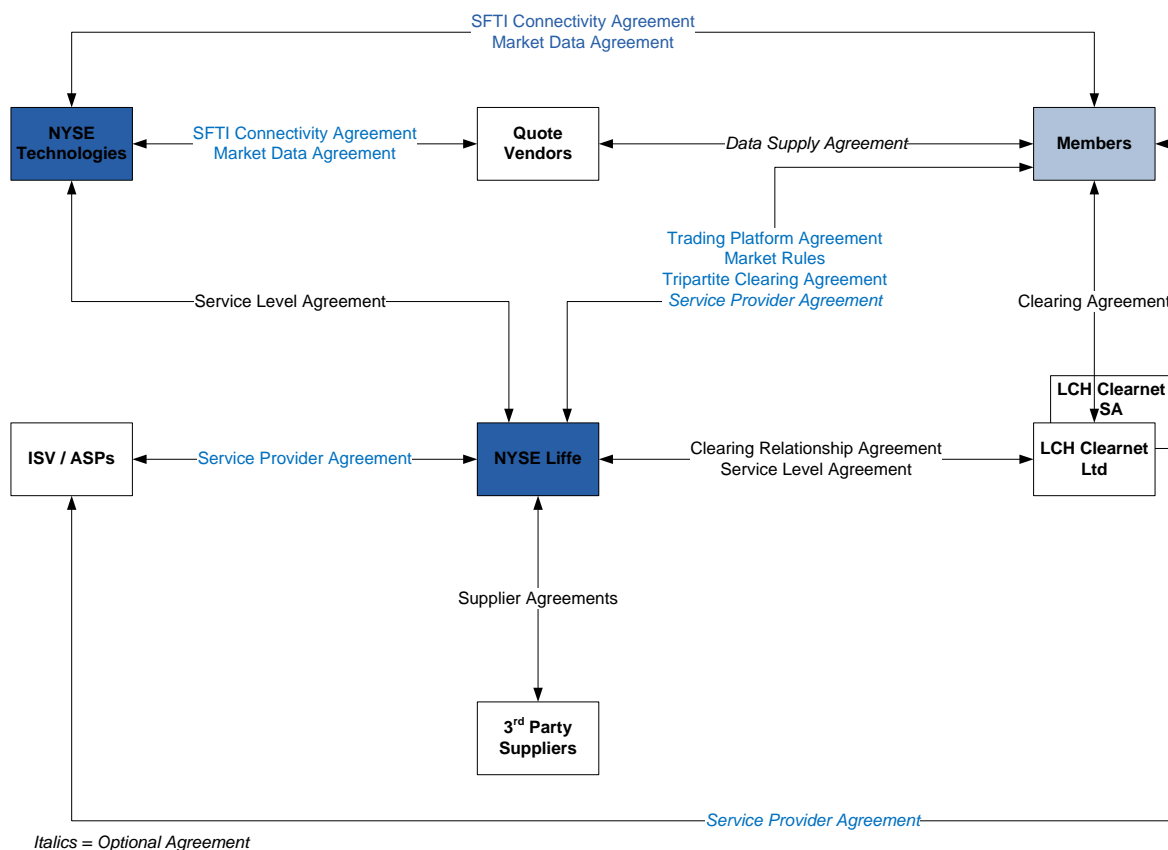
The Pricer generates new bid/ask prices in response to market changes and provides an indication of the price level at which a trade is likely to be executed. Euronext UTP uses these prices to provide price controls where applicable.

### Authorisation agreements

The following documentation underpins the market:

- SFTI® Connectivity Agreement
- Market Data Agreement
- Service Provider Agreement
- Trading Platform Agreement, and
- Market Rules

These are outlined after the following diagram which shows the inter-relation of the Agreements (omitting NCMs for the sake of clarity).



### *SFTI® Connectivity Principles*

#### *Data Centre Services Agreement*

ICE provides data centre services to Euronext from the Basildon site. Specifically, ICE houses the data centre equipment in the Data Centre and provides sub-services, such as power, access, physical security, environment, fire protection, connectivity, monitoring, support, remote hands, installation, receiving and warehouse space. The agreement will subsist for an initial term of five years, starting April 1st 2014, with automatic renewal for a further five-year period, unless notice of termination is provided by either party at least 12 months before expiry of the initial term but no earlier than 24 months before the end of the initial term. ICE will guarantee to continue providing the services for a further two-year period from the date on which notice of non-renewal is received. Accordingly, the minimum period for this service is five years. In the course of 2015, the agreement has been renegotiated, leading to, under certain conditions, a lower price structure, that came into effect January 1st, 2016.

#### *Colocation Agreement*

ICE provides co-location services directly to Euronext members on terms that are no worse than the terms on which ICE currently provides equivalent co-location services to its members. As the service is provided to members, there is no services agreement between ICE and Euronext but rather a commitment and payment of commission to Euronext by ICE for the right to provide the services. This agreement will remain in force for a period of five years, starting April 1st, 2014, unless terminated earlier with mutual agreement. ICE will commit not to increase the pricing, nor reduce the service or performance levels of colocation for the initial two-year period to ensure that Euronext customers receive colocation services at an equal (or better) standard to that currently provided by Euronext without any adverse price impact. Euronext is free to build its own colocation facility after the end of this two-year period if it wishes to do so, and in that case ICE will have the right to terminate the agreement on six months' notice.

#### *Connectivity Agreement*

Euronext's customers are connected to the SFTI® network either via an SFTI managed connection, a direct connection, or a thirdparty connection. ICE provides application services, including logical connections to the relevant Euronext products between the subscriber and host infrastructure. ICE agrees to provide the SFTI services to Euronext customers on terms (including pricing, service, and performance) that, in the aggregate, are no worse than the standard terms on which ICE provides equivalent connectivity services to its customers. This agreement will remain in force for five years, starting April 1st, 2014, unless terminated earlier with mutual agreement. This agreement contains substantially the same terms as the colocation agreement.

#### *Market Data Agreement*

Participants planning to redistribute Euronext Market Data must enter into and comply with the terms of the Market Data Agreement.

Participants using Market Data for their own purposes, in the course of normal trading activities, are licensed to use such data via the Trading Platform Agreement and so do not need to enter into a Market Data Agreement.

#### *Service Provider Agreement*

Service Providers are required to enter into a Service Provider Agreement which defines the terms and conditions under which third party providers may offer technology services in relation to the UTP matching engine.

#### *Trading Platform Agreement*

The Trading Platform Agreement, in association with the Rules, governs Members' behaviour and use of UTP.

The Trading Platform Agreement acknowledges that:

- the Member wishes to use, and Euronext is willing to license to the Member, certain equipment, testing software, specifications and the API necessary to access and trade on UTP, and
- the Member will need to develop, arrange to be developed or license, at its own risk and expense, trading software which interfaces with UTP via FIX or binary protocols.

Before being permitted to trade, a Member must:

- have had an approved communication circuit and connectivity commissioned by Euronext and certified ready for use
- have the trading software they intend to use certified as conforming to Euronext's requirements
- have passed the standard market entry test (MET) which is a conformance test
- have been allocated one or more Individual Trader Mnemonics (ITM) , and
- have the means to clear trades either as a member of the Clearing House or as a Non-Clearing Member (NCM) with a clearing agreement with a General Clearing Member.

***D-1 (2):***

***The architecture of the systems, including hardware and distribution network, as well as any pre- and post-trade risk-management controls that are made available to system users.***

[Redacted Confidential Text]

UTP provides multiple outright and strategy order types to enable trades to hedge or mitigate their trading risks.

The main safeguards for the Euronext markets relate to:

- restricting or limiting access to the markets, and
- controlling activity that occurs on the market, including price limits, volume alerts and automated throttles.

Market access

With reference to market access, Section 5.4 of Book I of the Rules provides for Euronext to terminate trading sessions or suspend or limit the availability of products/markets as is deemed necessary to maintain an orderly market. In the case of suspension, Individual Trading Mnemonics (ITMs) can be suspended within minutes at individual, group or Member level.



### Price Limits

With reference to controlling activity that occurs on the market, the main trading safeguard to ensure orderly markets is dynamic price limits which apply across all Euronext markets. These include Dynamic Price Limits for futures, Dynamic Spiking Price Limits for futures and Options Price Limits. Dynamic Spiking Price limits are applied to Futures Contracts only as these products show greater price movement over short periods of time, and hence the need to provide additional controls.

In addition to Price Limits, functionality exists for the removal of orders from the order book by Market Services staff, as well the deletion of trades. Market Services staff are responsible for front-line operations and real-time surveillance of all the Exchange's Contracts (apart from standard Individual Equity Option Contracts, which are part of this application).

For bilaterally negotiated futures and options trades, there is automated validation by Market Services to confirm that all (matched) orders are within the relevant fair value pricing conventions.

### Volume Alerts

Rule 8106/4 in Book I requires Members to ensure that they have appropriate controls in place, including controls on the size of orders to be submitted to the market.

Notwithstanding the requirements that members have with regard to volume controls over orders, Euronext has volume controls which raise alerts if the volume of orders or trades exceed configurable settings for each contract. Such alerts are reviewed to assess their impact and action is taken accordingly, including referral for further investigation where appropriate.

### Automated throttles

[Redacted Confidential Text]

### Delta protection

In addition, Delta protection assists Liquidity Providers in monitoring and management of their exposure. Please see Exhibit D-1 for further details.

***D -1 (3):***

***The security features of the systems.***

[Redacted Confidential Text]

***D -1 (4):***

***The length of time such systems have been operating.***

UTP has been in operation within Euronext since 2008.

***D -1 (5):***

***Any significant system failures or interruptions.***

Please see Exhibit D-2 (5).

***D -1 (6):***

***The nature of any technical review of the order matching/trade execution system performed by the foreign board of trade, the home country regulator, or a third party.***

UTP was subject to detailed regulatory scrutiny by the Euronext College of Regulators before the College gave its non-objection of UTP both for the cash and derivatives migrations. Within the College of Regulators, representatives of Euronext's regulatory authorities meet in working groups on a regular basis to coordinate their actions in areas of common interest.

The College's review analysed both the design and the implementation of UTP.

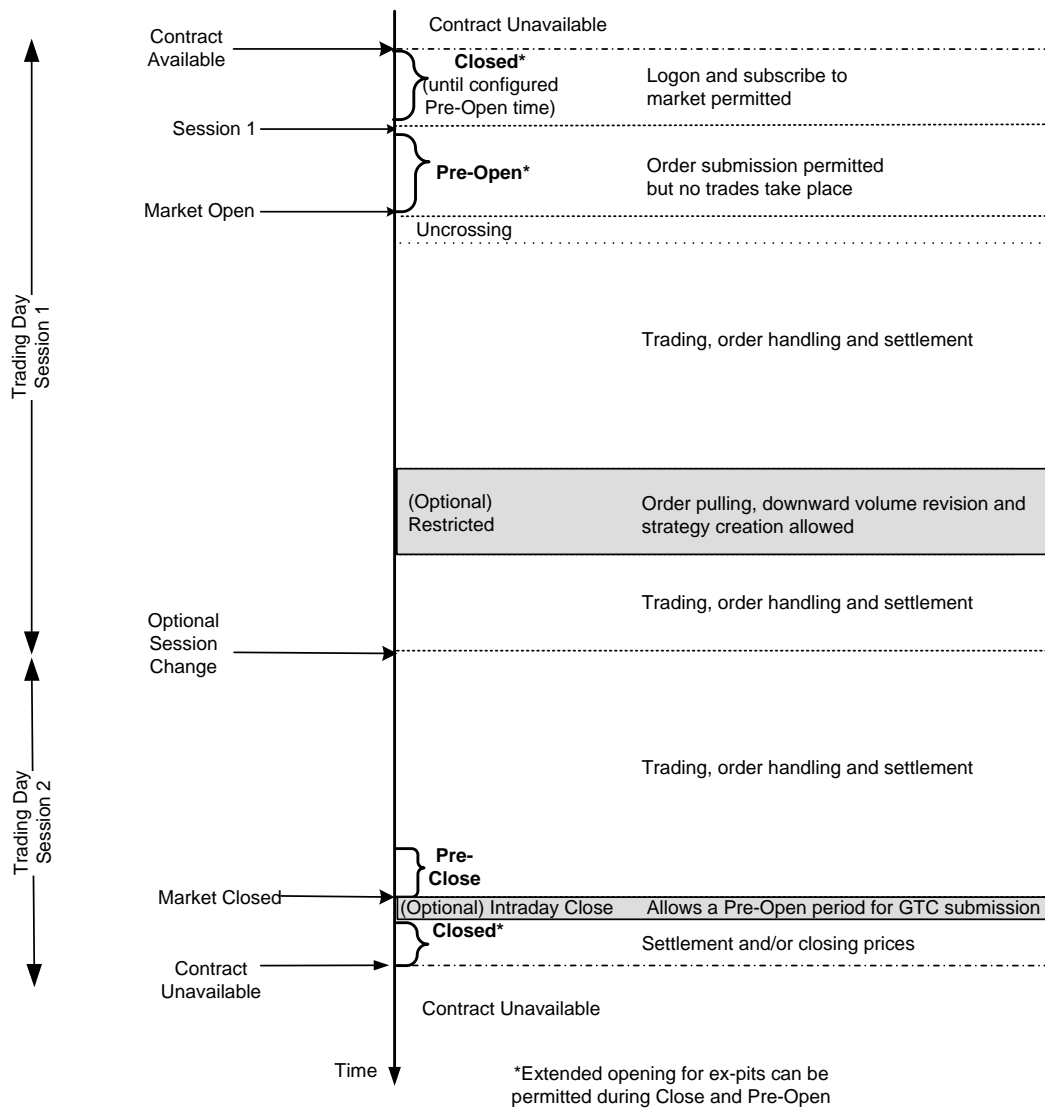
The College keeps a continuing close regulatory interest in UTP.

***D -1 (7):***

***Trading hours.***

Euronext's Trading Hours are from 08:00 hrs CET to 22:00 hrs CET.

The following is an overview of the Trading Day:



Contracts may be configured with Conditional Opening and those contracts will only move from a Pre-Open state to an Open state if an underlying price has been received prior to Open. If no underlying price has been received prior to Open, the market will remain in Pre-Open until manually opened.

**D -1 (8):**

***Types and duration of orders accepted.***

Orders can be of one of the following types:

- **Limit orders:**  
Limit orders execute at the limit price stated or better. Unless otherwise specified, any residual volume is retained until withdrawn, traded or cancelled automatically at the end of the day).
- **Market orders:**  
Market orders execute at the best price available when the order is submitted until all volume at that price has been traded. The order then executes at the next best price(s) until all the order volume has been filled. Residual volume from an incomplete market order is immediately cancelled.
- **Market On Open (MOO):**  
Market On Open (MOO) orders submitted during Pre-Open execute at the calculated opening price. Any residual volume from a MOO is converted into a Limit order. After the opening of the market, MOOs trade with matching MOOs at the mid-price, with any residual volume being converted into a Limit order at the mid-price. If no bid or offer price exists at the Market Open, MOO orders are cancelled.
- **Mass Quotes:**  
Liquidity Providers may submit simultaneous bids and offers within a series using Mass Quotes submitted in batches of up to 65 bid and offer pairs.  
Mass Quotes can only be used by traders with ITMs configured to use them and such ITMs cannot use any other order type. Mass Quotes do not persist beyond the relevant trading session or after the trader logs out.  
A Delta Protection facility offers Liquidity Providers protection against several of their quotes being traded simultaneously. Delta protection can be configured at contract level, or at both expiry and contract level. Protection can be limited to certain ITMs within a contract for which protection is configured. Cumulative delta position protection is maintained and updated for Liquidity Providers. Liquidity Providers are warned when Delta positions exceed pre-set limits and Mass Quotes exceeding the limit can be automatically cancelled.
- **Contingent Multiple Order (CMO):**  
Up to eight Limit Orders may be submitted as a Contingent Multiple Order (CMO) in up to two designated contracts. Each individual leg of a CMO will be executed in the relevant outright market. Unless each leg of the CMO can be executed immediately in full, the order is automatically cancelled.

Orders can have a number of designations as described below:

- Good Till Cancelled (GTC):  
Orders designated as Good Till Cancelled (GTC) remain in the central order book until they trade or are withdrawn or at contract expiry.
- Immediate and Cancel (IC):  
Orders designated as Immediate and Cancel (IC) execute against any matching orders up to the volume of the IC. Any residual volume is immediately cancelled.
- Complete Volume (CV):  
When the designation Complete Volume (CV) is added, an order will execute only if sufficient volume is available at the stated price or better. If sufficient volume is not available to execute the order in full, the entire order is cancelled.
- Minimum Volume (MV):  
Where an order is designated Minimum Volume (MV), a minimum volume is executed immediately or the whole order is cancelled. If the minimum volume is executed, and remaining volume is retained without any further minimum volume constraint.

The following features apply to orders:

- Orders can be submitted singly or (subject to contract restrictions) in batches. When an order is submitted to the Matching Engine, it is considered firm once the engine has checked and time stamped it.
- Order details must include: the price; the contract month, series or strategy; the order type; and the volume to be bought or sold at that price.
- Orders that do not trade to completion and are not of a type that require immediate completion are stored in the central order book.

***D -1 (9):***

***Information that must be included on orders.***

As stated in Exhibit D -1(8) above, the following information must be included on orders:

- the price
- the contract month, series or strategy
- the order type, and
- the volume to be bought or sold at that price.

In addition, Rule 8301/3 of Book I states that order records must contain the following information and any additional information required by the relevant market operator.

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

Under MIFID2 regime, the usual order identifiers are supplemented by various information relevant to market supervision such as the capacity of direct electronic access or use of algorithmic trading by the order giver.

***D -1 (10):***

***Trade confirmation and error trade procedures.***

***Trade confirmation:***

Once a trade has been executed in the trading system, the traders receive immediate confirmation over the CCG.

The derivatives clearing platform sends the trade data and referential details to LCH SA, via a trade gateway, for position keeping, clearing and settlement of trades.

Daily files of the previous day’s trading are submitted to the relevant regulator.

Maintenance and clearing functions enable customers to co-ordinate their trading, settlement, margining and risk management positions within a single platform.

***Error trade procedures:***

In Book I, Rule 5403/3 governs trade cancellations and states that:

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

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

In addition, Euronext Market Services in Paris and Amsterdam have the ability through UTM to delete erroneous trades. Following investigation and recording of erroneous trade details Euronext Market Services may instigate a trade deletion. Details of all trade deletions are recorded and monitored for trends.

***D -1 (11):***

***Anonymity of participants.***

Traders submit trades on an anonymous basis and a trader does not know the identity of a trader with whom he has matched on the order book.

Anonymity is retained throughout the trading and clearing cycle.

***D -1 (12):***

***Trading system connectivity with clearing system.***

The derivatives clearing platform allows complete post trade processing by Members' back offices and provides various facilities, including allocation, registration and give-ups of trades.

The registration functionally is extended through the provision of position maintenance and clearing functions, enabling customers to co-ordinate their trading, settlement, margining and risk management positions within a single platform.

[Redacted Confidential Text]

***D -1 (13):***

***Response time.***

In excess of 99% of transactions are processed in less than 25 ms within the trading engine.

***D -1 (14):***

***Ability to determine depth of market.***

Traders receive information about a given contract, contract month, series, or strategy through XDP. Traders subscribe to the contract, contract month, or individual market via XDP.

Traders can also submit orders and requests for quotes via the CCG to any market and receive trade confirmations on orders without subscribing to the market in question.

When subscribing to XDP, traders can choose whether or not to receive notices or requests for quotations from the market.

Traders can subscribe at one of three levels:

- Product: All outright, or strategies with a leg in, a given product
- Expiry Month level: All outright, or strategies with a leg in, a given expiry month, for a given commodity, or
- Market level: A given outright, or a specific strategy in a given commodity (specifying the Automated Market Reference value).

After receiving a subscription to a market, the Matching Engine acknowledges the request and immediately returns two pieces of information via XDP:

- the market-mode status, which reports whether the market is open for trading or not, and
- the chosen market information, which may be best bid and offer or full market depth, providing prices and respective aggregate volumes available for buy and sell orders in that market at the time.

XDP is configured to provide market data at two discrete levels: Level 1 – Top of Book; and Level 2 - Full Depth. This data is available to users through a subscription to a specific XDP market data channel, for example for Equity & Index related products. A Member subscribes to one or more of the channels broadcast by XDP. It is also possible to configure XDP to broadcast customised channels of data although to date the need for these customised channels has not arisen.

Depending on the level of data subscription, XDP provides the following information:

- Warnings of 'market mode changes' (e.g. open and close, fast market, and price limits suspended)
- 'Market information' of best buy and sell prices and the aggregate volumes available at those prices, as well as traded price and volume information
- 'Order book and market updates', whenever there is a change in the central order book affecting prices or aggregate volumes.

When a market closes, traders subscribing to that market receive indicative closing prices or settlement price information. Traders can stop receiving market update information at any time by exiting the market via the front end trading application.



***D -1 (15):***

***Market continuity provisions.***

Euronext's Business Continuity Planning (managed by the Business Continuity Management Team – BCMT) and Disaster Recovery processes and procedures (managed by Information Technology – IT) are used to manage unplanned events.

A Market Status report is included on the website and updated immediately with any market-wide updates.

***Business Continuity and Disaster Recovery:***

Resilience for UTP is provided for by a dual Data Centre strategy whereby network and other technology infrastructure are fully replicated. Either Data Centre can run all aspects of all services necessary to operate the markets.

The physical core of Euronext's business continuity arrangements consist of:

- two complete and physically separate Data Centres, with live services being able to be run from either or both simultaneously
- systems typically designed using a high availability approach
- a resilient data network, and
- business continuity sites that are capable of supporting all core business operations and IT Global Service Delivery.

As stated above, there are two complete and physically separate Data Centres with live services being able to be run from either or both simultaneously. This means that the matching engine can be run from Data Centre 1 and the tools used to monitor and control the markets from Data Centre 2 with no material degradation in either performance or control. However, for those Members that utilise co-location facilities, these are only made available in the primary Data Centre, and the Members are aware that they must make separate provision to access the market via a standard connection should DR be invoked.

Euronext's dedicated business continuity team works in conjunction with line managers and is responsible for the development, implementation, testing and maintenance of business continuity and emergency response plans.

Business Continuity processes are continually validated via simulated events, such as:

- Regularly testing workspace recovery at recovery sites to ensure continuity of operations
- Participating in the Market Wide Exercises overseen by authorities

- Exercising the Crisis Management Team regularly through table-top exercises and role rehearsals
- Conducting an annual review of Business Impact Analyses and Business Continuity Plans
- Maintaining a staff awareness and induction programme – a continuous programme to ensure all staff know their Business Continuity role. Compulsory training in BCM for all staff is being rolled out
- Conducting regular technical recovery exercises to prove that systems and applications are able to recover in line with business expectations
- In conjunction with the Clearing House, conducting periodic joint recovery exercises from independent recovery sites
- Maintaining a Business Continuity regime, and meeting regularly with the Business Continuity Steering Group and Departmental Business Continuity Coordinators
- Maintaining the capability for Remote Access (e.g. home working) to counter the threat of loss of staff through wide scale disruption, and
- Conducting training, familiarisation and validation activities.

A range of approaches is used from desktop / scenario exercises through to full scale invocations on normal trading days involving business and IT operations.

In the event of a wide-reaching failure or crisis, Business Continuity and Crisis Management processes are invoked. People, processes and technology are managed in concert to bring about an effective response to the crisis at hand. Activity is overseen by the executive and facilitated by the BCMT.

The executive prioritise and direct the activities of the emergency teams: Damage Assessment, Facilities, IT, HR, Security and Communications. The executive stand down only after an acceptable level of “business as usual” operation has been resumed. At this point any outstanding issues would be managed within normal line management.

***Disaster Recovery:***

Euronext operates the UTP market and supporting services from its two Data Centres. Computer Equipment and Network connections required to provide the UTP market are replicated at both sites, and as a matter of routine operation the services are provided from both sites. As both sites can host elements of the production service on a daily basis, each operates in standby mode for the other. Additionally as each site replicates the core trading systems so either is capable of supporting the entire suite of services.

Network connections between the Data Centres are diversely routed providing multiple connections to services. The Data Centres are additionally connected via two high bandwidth channels, a primary and backup, each procured from separate vendors providing resilience to a single circuit or an underlying vendor network failure.

The invocation of Disaster Recovery is a logical extension of the Crisis Management Process and necessitates a higher level of management involvement, decision and control.

The Disaster Recovery Plan is regularly rehearsed and supports actual invocation under the following conditions:

- Major loss of physical or logical access to Networks
- Major loss of physical or logical access to the Data Centres housing the UTP services
- Major loss of physical or logical access to Market Operations, and/or
- Major loss of physical or logical access to Technical Operations Production Centre.

Like Business Continuity, Disaster Recovery processes are continually validated via simulated events, such as those referred to above.

***D -1 (16):***

***Reporting and recordkeeping requirements.***

***Reporting:***

Euronext Paris is obliged by Article 514-9 of the AMF's General Regulations to send the AMF a daily batch file including all orders (executed or not) and all trades.

Article 514-9

The market operator shall report daily to the AMF:

1° On the orders received from the members of the regulated market it manages and on the transactions effected on its systems, as specified in an AMF instruction;

2° On the positions opened on financial contracts, except if this information has already been disclosed to the AMF by the terms of Article 541-24.

***Recordkeeping requirements:***

As per new MIF2 implementing regulation (EU delegated regulation 2017/580), the market operator shall also store for five years all orders received from exchange members according to standards uniformly applicable all over the European Economic Area.

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**EXHIBIT D: THE AUTOMATED TRADING SYSTEM****D-2:**

**A description of the manner in which the foreign board of trade assures the following with respect to the trading system, separately labeling each description:**

- (1) Algorithm. The trade matching algorithm matches trades fairly and timely.**
- (2) IOSCO Principles. The trading system complies with the Principles for the Oversight of Screen-Based Trading Systems for Derivative Products developed by the Technical Committee of the International Organization of Securities Commissions (IOSCO Principles). Provide a copy of any independent certification received or self-certification performed and identify any system deficiencies with respect to the IOSCO Principles.**
- (3) Audit Trail.**
  - (i) The audit trail timely captures all relevant data, including changes to orders.**
  - (ii) Audit trail data is securely maintained and available for an adequate time period.**
- (4) Public Data. Adequate and appropriate trade data is available to users and the public.**
- (5) Reliability. The trading system has demonstrated reliability.**
- (6) Secure Access. Access to the trading system is secure and protected.**
- (7) Emergency Provisions. There are adequate provisions for emergency operations and disaster recovery.**
- (8) Data Loss Prevention. Trading data is backed up to prevent loss of data.**
- (9) Contracts Available. Mechanisms are available to ensure that only those futures, option or swap contracts that have been identified to the Commission as part of the application or permitted to be made available for trading by direct access pursuant to the procedures set forth in § 48.10 are made available for trading by direct access.**
- (10) Predominance of the Centralized Market. Mechanisms are available that ensure a competitive, open, and efficient market and mechanism for executing transactions.**

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**D-2 (1):**

***Algorithm. The trade matching algorithm matches trades fairly and timely.***

Euronext's Universal Trading Platform (UTP) features a number of recognised trading algorithms which provide a fair and active market in listed contracts.

The Matching Engine matches orders in the central order book with priority being determined by price and time (Price / Time Priority):

- Where orders have an equal price, priority is given to the earliest order entered at that price.
- For price priority, the highest bid or lowest offer has priority over other orders in the same market.
- For time priority, older orders have priority over more recent orders at the same price and will trade according to the time that they were accepted by the Matching Engine.

The data distribution component, Exchange Data Publisher (XDP), distributes essential trading data in a fair and equitable manner to all eligible market participants ensuring there is no disadvantage when receiving information or submitting and executing orders. The primary function of XDP is to manage the distribution of specific contract data (e.g. prices and volumes) to participants who have elected to receive such information.

XDP employs Reliable Multicast technology to ensure that pertinent market data is transmitted simultaneously to each eligible recipient.

The equitability requirement excludes delays caused by the following:

- Any failure condition either directly or indirectly affecting the Member
- Capacity levels being exceeded
- Excessive traffic submitted by one or more ITMs or by automated facilities behaving outside the set conformance criteria, e.g. over-subscription, multiple logons
- Transmission over the Internet, member networks or other network services not supported by Euronext or outside of the Euronext service domain.

**D-2 (2):**

***IOSCO Principles. The trading system complies with the Principles for the Oversight of Screen-Based Trading Systems for Derivative Products developed by the Technical Committee of the International Organization of Securities Commissions (IOSCO Principles). Provide a copy of any independent certification received or self-certification performed and identify any system deficiencies with respect to the IOSCO Principles.***

In June 1990, IOSCO's Working Party No. 7 produced 10 Suggested Principles for the Oversight of Screen Based Trading Systems for Derivative Products. Euronext complies fully with the Principles.

ESMA, the European Securities and Markets Authority, issued "Guidelines on systems and controls in an automated trading environment for trading platforms, investment firms and competent authorities" on 24 February 2012. The Guidelines explain the existing MiFID and Market Abuse Directive requirements and are a codification of existing best practice. The Guidelines entered into force on 1 May 2012 and apply to all of the Euronext derivative markets.

A schedule describing the Euronext derivative markets' compliance with the ESMA Guidelines has been submitted to the Euronext College of Regulators in Europe.

Besides, the Euronext College of Regulators has recently re-assessed Euronext's position by reference to new MiFID2 standards, which have reinforced and codified previous principles of controls for automated trading. Namely, EU delegated regulation 2017/584 now requires operators of any organised trading venues to implement regulatory standards to avoid disorderly trading conditions that could arise from algorithmic trading, including conformance testing.

The following schedule maps the IOSCO Principles and the relevant MiFID2 requirements, associated ESMA Guideline(s) and other provisions:

#	Principle	Equivalent provision / response
1	The system sponsor should be able to demonstrate to the relevant regulatory authorities that the system meets and continues to meet applicable legal standards, regulatory policies, and/or market custom or practice where relevant.	ESMA Guideline <sup>4</sup> 1, General guideline:  "1. A regulated market's or multilateral trading facility's electronic trading system (or systems) shall ensure that it complies with applicable obligations under MiFID and other relevant Union and national law taking into account technological advancements and trends in the use of technology

<sup>4</sup> ESMA - Guidelines on Systems and Controls in an Automated Trading Environment For Trading Platforms, Investment Firms and Competent Authorities – 22 December 2011

		<p>by its members/participants or users. In particular, the system (or systems) should be well adapted to the business which takes place through it (or them) and is (or are) robust enough to ensure continuity and regularity in the performance of the automated market (or markets) operated by the market operator or investment firm.”</p> <p>ESMA Guideline 4, General guideline:</p> <p>“1. Investment firms must have policies and procedures to ensure that their automated trading activities, including where they are providing DMA or SA, on trading platforms comply with their regulatory requirements under MiFID and other relevant Union and national laws and, in particular, and that they manage the risks relating to those trading activities.”</p> <p>ESMA Guideline 4, Detailed guideline (2) d):</p> <p><u>“Consistency with the regulatory and legal framework</u></p> <p>- The electronic systems of investment firms, and the orders these generate, should be consistent with the firm’s obligations under MiFID, or other relevant Union or national legislation, or under the rules of the RM or MTF to which the order is to be sent (including rules relating to fair and orderly trading). “</p>
2	<p>The system should be designed to ensure the equitable availability of accurate and timely traded and quotation information to all system participants and the systems sponsor should be able to describe to the relevant regulatory authorities the processing, prioritization, and display of quotations within the system.</p>	<p>MiFID2<sup>5</sup> Level 1 Article 14:</p> <p>“ [...]</p> <p>2. Member States shall require that investment firms or market operators operating an MTF establish transparent rules regarding the criteria for determining the financial instruments that can be traded under its systems.</p> <p>Member States shall require that, where applicable, investment firms or market operators operating an MTF provide, or are satisfied that there is access to, sufficient publicly available</p>

		information to enable its users to form an investment judgement, taking into account both the nature of the users and the types of instruments traded.”
3	The system sponsor should be able to describe to the relevant regulatory authorities the order execution algorithm used by the system i.e., the set of rules governing the processing, including prioritization, and execution of orders.	MiFID Level 1 Article 14:  “1. Member States shall require that investment firms or market operators operating an MTF, in addition to meeting the requirements laid down in Article 13, establish transparent and non-discretionary rules and procedures for fair and orderly trading and establish objective criteria for the efficient execution of orders. [...]”
4	From a technical perspective, the system should be designed to operate in a manner which is equitable to all market participants and any differences in treatment among classes of participants should be identified.	ESMA Guideline 3, Detailed guideline 2 (b):  “ <u>IT compatibility</u> Trading platforms should have standardised conformance testing to ensure that the systems that members and participants are using to access the platform have a minimum level of functionality that is compatible with the trading platforms’ electronic trading system and will not pose a threat to fair and orderly trading on the platform.”
5	Before implementation, and on a periodic basis thereafter, the system and system interfaces should be subject to an objective risk assessment to identify vulnerabilities (e.g, the risk of unauthorised access, internal failures, human errors, attacks, and natural catastrophes) which may exist in system design, development, or implementation.	ESMA Guideline 1, Detailed guideline 2 (e):  “ <u>Monitoring and review</u>  [...] - In order to ensure that trading platforms remain continually effective, the operators of these trading platforms should periodically review and evaluate their electronic trading systems, and associated process for governance, accountability and sign-off and associated business continuity arrangements. They should act on the basis of these reviews and evaluations to remedy deficiencies. The review and evaluation process should have some degree of independence which can be achieved, for example, by the involvement of internal audit or third parties.”  ESMA Guideline 1, Detailed guideline 2 (f):



		<p><u>“Security</u></p> <p>- Trading platforms should have procedures and arrangements for physical and electronic security designed to protect their electronic trading systems from misuse or unauthorised access and to ensure the integrity of the data that is part of or passes through the systems.”</p> <p>ESMA Guideline 2, Detailed guideline 2 (c):</p> <p><u>“ Business Continuity</u></p> <p>- Investment firms should have adequate, reasonable and effective business continuity arrangements in relation to their electronic trading systems to cover disruptive incidents (which, as necessary, can ensure a timely resumption of trading) including but not limited to system failures, as the arrangements should cover, as appropriate, matters such as:</p> <ol style="list-style-type: none"> <li>a. Governance for the development and deployment of the arrangements;</li> <li>b. Consideration of an adequate range of possible scenarios related to the operation of their electronic trading systems which require specific continuity arrangements;</li> <li>c. The backing up of business (including compliance) critical data that flows through their electronic trading systems;</li> <li>d. The procedures for moving to and operating the electronic trading system from a back-up site;</li> <li>e. Staff training on the operation of the arrangements and individuals’ roles within them; and</li> <li>f. An on-going programme for the testing, evaluation and review of the arrangements including procedures for modification of the arrangements in light of the results of that programme.”</li> </ol>
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<p>6</p>	<p>Procedures should be established to ensure the competence, integrity, and authority of system users, to ensure that system users are adequately supervised, and that access to the system is not arbitrarily or discriminatorily denied.</p>	<p>ESMA Guideline 3, Detailed guideline 2d):</p> <p><u>“Trader access and knowledge</u> Trading platforms should have standards covering the knowledge of persons within members/participants and users who will be using order entry systems.”</p> <p>ESMA Guideline 3, Detailed guideline 2d):</p> <p><u>“Limits to access and intervention on transactions.</u> - Trading platforms should have the ability to prevent in whole or in part the access of a member or participant to their markets and to cancel, amend or correct a transaction. The rules and procedures for cancelling, amending or correcting trades should be transparent to members/participants and users of the regulated market or multilateral trading facility.”</p> <p>MiFID Level 1, Recital (47):</p> <p>“Investment firms should all have the same opportunities of joining or having access to regulated markets throughout the Community. Regardless of the manner in which transactions are at present organised in the Member States, it is important to abolish the technical and legal restrictions on access to regulated markets.</p> <p>MiFID Level 1, Article 14:</p> <p>“4. Member States shall require that investment firms or market operators operating an MTF establish and maintain transparent rules, based on objective criteria, governing access to its facility. These rules shall comply with the conditions established in Article 42(3).”</p>
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7	<p>The relevant regulatory authorities and the system sponsor should consider any additional risk management exposures pertinent to the system, including those arising from interaction with related financial systems.</p>	<p>MiFID Level 1, Article 39:</p> <p>“Member States shall require the regulated market:</p> <p>(a) [...]</p> <p>(b) to be adequately equipped to manage the risks to which it is exposed, to implement appropriate arrangements and systems to identify all significant risks to its operation, and to put in place effective measures to mitigate those risks; [...]”</p>
8	<p>Mechanisms should be in place to ensure that the information necessary to conduct adequate surveillance of the system for supervisory and enforcement purposes is available to the system sponsor and the relevant regulatory authorities on a timely basis.</p>	<p>ESMA Guideline 5, Detailed guideline 2b):</p> <p><u>“Monitoring</u></p> <p>- Trading platforms should at least have systems (including automated alert systems on transactions and orders) with sufficient capacity to accommodate high frequency generation of orders and transactions and low latency transmission, in order to monitor, using a sufficient level of time granularity, orders entered and transactions undertaken by members/participants and users and any behaviour which may involve market abuse (in particular market manipulation, including, where the trading platform has sight of this, cross-market behaviour) and with the ability to trace backwards transactions undertaken by members/participants and users as well as orders entered/cancelled which may involve market manipulation.”</p> <p>ESMA Guideline 6, General guideline:</p> <p>“1. Investment firms should have policies and procedures in place to minimise the risk that their automated trading activity gives rise to market abuse (in particular market manipulation). [...]”</p> <p>ESMA Guideline 6, Detailed guideline 2 c):</p> <p><u>“Monitoring activity</u></p> <p>- Investment firms should monitor the activities of individuals/algorithms trading on behalf of the firm and the trading activities of clients, taking</p>

		<p>account of orders submitted, modified and cancelled as well as transactions executed. This should involve having adequate systems in place (including automated alert systems), using a sufficient level of time granularity, to flag any behaviour likely to give rise to suspicions of market abuse (in particular market manipulation), including (where the firm has sight of this) cross-market behaviour.”</p> <p>ESMA Guideline 6, Detailed guideline 2 d):</p> <p><u>“Arrangements for the identification and reporting of suspicious transactions and orders</u>  - Investment firms should have arrangements to identify transactions, and it is recommended that these arrangements also cover orders, that require a STR to competent authorities in relation to market abuse (in particular market manipulation) and to make those reports without delay (if initial enquiries are undertaken, a report should be made as soon as possible if those enquiries fail to find a satisfactory explanation for the observed behaviour).”</p>
9	<p>The relevant regulatory authorities and/or the system sponsor should ensure that the system users and system customers are adequately informed of the significant risks particular to trading through the system. The liability of the system sponsor, and/or the system providers to system users and system customers should be described, especially any agreements that seek to vary the allocation of losses that otherwise would result by operation of law.</p>	<p>Exclusion of liability is covered in Book I of the Euronext Rule Book:</p> <p>“Rule 1601</p> <p>Euronext Market Undertakings are required, pursuant to National Regulations, to:</p> <p>(i) have clear and transparent Rules which (a) provide for fair and orderly trading and establish objective criteria for the efficient execution of orders; and (b) ensure that any Financial Instruments admitted to trading are capable of being traded in a fair, orderly and efficient manner;</p> <p>(ii) establish and maintain effective arrangements and procedures for the regular monitoring of the compliance with the Rules by Members and Issuers; and</p>

		<p>(iii) monitor the activity undertaken by Members in order to identify breaches of the Rules, disorderly trading conditions or conduct that may involve market abuse.</p> <p>Rule 1602</p> <p>Euronext wishes to draw the following statement to the attention of Members and Issuers. In pursuit of Euronext’s responsibilities as an operator of regulated markets including those referred to under Rule 1601, there are a number of actions which may or may not be undertaken by Euronext, whether as a result of Euronext’s own determination or at the request of a Member, Issuer or the relevant Competent Authority. Some of these actions are listed below, without limitation:</p> <p>(i) the suspension or restriction in some way of business on any of the Euronext Markets pursuant to Rule 4403 and/or Rule 5402;</p> <p>(ii) the closure for any period of any of the Euronext Markets pursuant to Rule 4403 and/or Rule 5401;</p> <p>(iii) the cancellation of trade(s) on any of the Euronext Markets pursuant to Rule 4403 and/or Rule 5403;</p> <p>(iv) any investigation, audit or check in respect of a Member or an Issuer to ensure compliance with the Rules pursuant to Rules 9.2, 6107 and/or 6901; and</p> <p>(v) the suspension of membership rights and/or termination of membership pursuant to Rule 2.8 and/or Rule 9.3.</p> <p>This may result in the inability of one or more Members and, through such Members, one or more Clients, to enter into Transactions.</p>
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		<p>Rule 1603</p> <p>Unless otherwise expressly provided in the Rules or in any other agreement between Euronext and a Member or an Issuer, Euronext shall only be liable for fraud, gross negligence and wilful misconduct where there is a finding of such by a court of competent jurisdiction and shall not otherwise be liable.</p> <p>Rule1604</p> <p>Members are required to draw the statements in Rules 1602 and 1603 to the attention of their Clients.</p> <p>Rule 1605</p> <p>For the purposes of this Rule 1.6, references to “Euronext” shall include any officers, employees, agents and representatives of Euronext.”</p>
10	<p>Procedures should be developed to ensure that the system sponsor, system providers and system users are aware of and will be responsive to the directives and concerns of relevant regulatory authorities.</p>	<p>ESMA Guideline 4, Detailed guideline 2e):</p> <p>“ <u>Reporting obligations to supervisory arrangements</u></p> <p>- Investment firms should inform competent authorities, in line with the supervisory arrangements that exist in their Member State, about significant risks that may affect fair and orderly trading and major incidents where those risks crystallise.”</p>

**D-2 (3):**

**Audit Trail.**

- (i) The audit trail timely captures all relevant data, including changes to orders.**
- (ii) Audit trail data is securely maintained and available for an adequate time period.**

[Redacted Confidential Text]

**D-2 (4):**

**Public Data. Adequate and appropriate trade data is available to users and the public.**

Within the Exchange Data Publisher (XDP), the Real Time Publisher provides the core market data publishing service for users. The publisher receives data from the Matching Engine and distributes that data to all users who have subscribed to the XDP service.

Data is streamed in FIFO sequence to all subscribers and segmented into channels such that a subscriber may receive only to the channel or channels he is interested in. XDP publishes full depth of market aggregated at each price level.

Exhibit D-1 describes XDP further.

Real-time market data is made available by Euronext to a range of Quote Vendors who publish the data to their subscribers. Such Quote Vendors include Reuters and Bloomberg.

**D-2(5):**

**Reliability. The trading system has demonstrated reliability.**

Monthly Availability of the UTP Trading Platform was 100,00% over 2017.

For the record, two incidents had occurred in 2016.

[Redacted Confidential Text]

**D-2 (6):**

**Secure Access. Access to the trading system is secure and protected.**

Euronext allocates an Individual Trader Mnemonic (ITM) to each Responsible Person. Traders' connections to the trading system are validated according to the combination of the

membership mnemonic and the ITM. Each instance of the CCG is configured with a valid list of membership mnemonics and ITM combinations.

When a user connects to a CCG, the membership mnemonic and ITM combination is checked and any connections which are not accepted are logged by the CCG.

Euronext captures each order submission, revision or pull submitted by a trader, whether or not it subsequently trades. Each trader control message is also captured, for example a trader's login, logout, disconnection, nominate replacement trader or setting of delta limits.

Responsible Person details are registered in the Referential Data system. This database holds details of Member eligibility and rights. Within , a membership flag is set to determine contracts that may be traded by Members, and specifically by US based Members. This flag is used by the Trading Engine gateways and market data system to preclude certain contracts from being traded.

Each Responsible Person within a Member organisation has one or more ITM(s) and traders who are not Responsible Persons may only submit orders for Derivatives under the ITM(s) of a Responsible Person registered to the Member or for Securities under the general authority of the Responsible Person.

Euronext therefore assures security of access by a Responsible Person to the trading system. Members are required to implement suitable security measures for passwords and security keys so that only authorised individuals may gain access to trading.

In addition, numerous methods are used at various points throughout the solution chain to maintain data integrity.

At key points, the solution performs data validation routines to reject invalid or inappropriate data.

Additionally, as data passes through the processing chain, further checks ensure that the content remains both valid and consistent.



Key data types that are subject to this validation are:

- Static data / referential data, which is persisted throughout the trading day (e.g. Product / Participant records)
- Volatile data, which changes throughout the trading day due to events and actions performed during the trading day e.g. market prices, and
- Derived data, which is created as a result of previous events triggering a new data.

**D-2 (7):**

***Emergency Provisions. There are adequate provisions for emergency operations and disaster recovery.***

Please see Exhibit D-1 for an overview of Euronext's Business Continuity and Disaster Recovery arrangements.

[Redacted Confidential Text]

Please see Exhibit D-1 for an overview of the disaster recovery provisions.

**D-2 (8):**

***Data Loss Prevention. Trading data is backed up to prevent loss of data.***

Trading and Referential Data is backed up using incremental and full backup regime. Relevant data is stored for five years.

**D-2 (9):**

***Contracts Available. Mechanisms are available to ensure that only those futures, option or swap contracts that have been identified to the Commission as part of the application or permitted to be made available for trading by direct access pursuant to the procedures set forth in § 48.10 are made available for trading by direct access.***

These following Euronext Paris products are currently made available in the United States:

- CAC 40 Future \*
- CAC 40 Mini Future \*

- CAC40 Dividend Index Future
- FTSEurofirst 80 Index Futures \*
- FTSEurofirst 100 Index Futures \*
- FTSE EPRA/NAREIT Europe Index \*
- Corn Futures
- European Rapeseed Futures
- Milling Wheat Future
- Option on Corn future
- Option on European Rapeseed Future
- Option on Wheat Future
- Wood Pellet Futures
- Rapeseed Meal Futures
- Rapeseed Oil Futures
- Options on Rapeseed Meal Futures
- Options on Rapeseed Oil Futures
- Nitrogen Fertilizer Futures

\* this contract has received no-action relief

There are no swap contracts currently made available for trading in the Euronext Paris market.

Only Members and their Affiliate(s) will have direct access to the trading system or products from the US.

Euronext will not provide, and will take all reasonable steps to prevent, third parties from providing direct access<sup>6</sup> to the FBOT. This means that Members from the US must be specifically permitted by Euronext to enter trades directly into the order matching and trade entry system.

Euronext will restrict direct access to members in the US by means of hardware, password control, and other similar physical or electronic security measures. Access is limited by trader keys to those products for which Euronext has obtained no-action relief. Through the trader keys, Euronext is able to identify the location of the trader and so can monitor compliance with CFTC restrictions.

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<sup>6</sup> As defined in the Commodity Exchange Act (CEA) and the CFTC's final regulations, direct access means an explicit grant of authority by an FBOT to an identified member or other participant located in the US to enter trades directly into the trade matching system of the FBOT. It does not constitute direct access if the order is sent by a person in the US by means of an automated order routing system (AORS) to an intermediary located outside of the US for further action or to pass through an order entry or risk management filter at the intermediary prior to reaching the trade matching engine.

**D-2 (10):**

***Predominance of the Centralized Market. Mechanisms are available that ensure a competitive, open, and efficient market and mechanism for executing transactions.***

Market competitiveness is ensured through a combination of anonymised bid/offer, the price time algorithm and Liquidity Providers' obligations.

Since speed of execution is a key determinant in the success or otherwise of an electronic exchange, market performance is constantly monitored.

Real time and trade day +1 tools are utilised to ensure the lowest levels of latency are experienced by participants in the market. Performance data is collected in real time and analysed:

- Real time
- Trade day +1
- Monthly, and
- Annually.

There is no set percentage of trading which is mandated to take place in the central order book but centralized trading is encouraged through the appointment of Liquidity Providers and through specifying conditions under which Members execute trades outside the order books. This underpins the importance of the central market.

For example, Euronext has a regime which permits Block Trades to be executed in derivatives only provided that certain conditions are met. In particular, this regime limits and controls the circumstances in which trades can be effected outside the central order book.

Under MIFID2, Block Trades are called "Large-in-scale Trades", wording used hereafter.

Large-in-scale Trade thresholds meet the minimum required by MIFID2 where appropriate and are set sufficiently high by Euronext so as to avoid cannibalisation of the central market by limiting the facility to trades too large to be executed easily through the central order book.

The following criteria apply to Large-in-scale Trades:

- they must be executed by a Large-in-scale Trade Executing Member who holds the appropriate trading right in the relevant Large-in-scale Trade Contract
- in accordance with Trading Procedure, Large-in-scale Trades may be transacted only in Exchange Contracts which have been designated for that purpose (as set out in Annexe One to the Trading Procedures), and

- pursuant to Trading Procedure, Members should ensure that the price of a Large-in-scale Trade represents a fair value for that trade.

For Large-in-scale Trade Contracts in which a market maker participation right exists, the designated market maker is entitled, on an all-or-nothing basis, to participate in the Facilitating Side of any Large-in-scale Trade in his designated Large-in-scale Trade Contract.

The Large-in-scale Trade Executing Member must submit details of the Large-in-scale Trade to the Exchange:

- within 15 minutes.

As set out in Trading Procedure, the Exchange checks the validity of the Large-in-scale Trade details and, if appropriate, authorises execution of the Large-in-scale Trade.

Large-in-scale Trades are then published with a distinguishing marker.

By operating the Large-in-scale Trade regime, Euronext permits trades to be executed outside the central order book provided that the criteria in the Trading Procedures are satisfied.

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**EXHIBIT E: TERMS AND CONDITIONS OF CONTRACTS TO BE MADE AVAILABLE IN THE US**

**E-1:**

**A description of the terms and conditions of futures, option or swap contracts intended to be made available for direct access. With respect to each contract, indicate whether the contract is regulated or otherwise treated as a futures, option or swap contract in the regulatory regime(s) of the foreign board of trade’s home country.**

The contracts available in the US are as follows:

#	Contract	Regulated as
1	CAC 40 Future	Futures
2	Mini CAC40 Future	Futures
3	CAC40 Dividend Index Future	Futures
4	FTSEurofirst 80 Index Futures	Futures
5	FTSEurofirst 100 Index Futures	Futures
6	FTSE EPRA/NAREIT Europe Index	Futures
7	Corn Futures	Futures
8	European Rapeseed Futures	Futures
9	Milling Wheat Future	Futures
10	Option on Corn future	Option
11	Option on European Rapeseed Future	Option
12	Option on Milling Wheat Future	Option
13	Options on Malting Barley	Option
14	Wood Pellet Futures	Futures
15	Rapeseed Meal Futures	Futures
16	Rapeseed Oil Futures	Futures
17	Options on Rapeseed Meal Futures	Option
18	Options on Rapeseed Oil Futures	Option
19	Nitrogen Fertilizer Solution Futures	Futures

Contract Specifications, prospectuses or Technical Specifications (as the case may be) are included in Appendix 4.

No swap contracts are currently made available.

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**EXHIBIT E: TERMS AND CONDITIONS OF CONTRACTS TO BE MADE AVAILABLE IN THE US**

**E-2:**  
**Demonstrate that the contracts are not prohibited from being traded by United States persons, i.e., the contracts are not prohibited security futures or single stock contracts or narrow-based index contracts. For non narrow based stock index futures contracts, demonstrate that the contracts have received Commission certification pursuant to the procedures set forth in § 30.13 and Appendix D to part 30 of this chapter.**

Euronext will not allow direct access to trading by US persons in any equity or index options, narrow-based index products, single stock futures or single stock dividend futures.

Euronext will only allow direct access from the US in respect of equity-related products which are index products and which:

1. meet the requirements to qualify as a broad-based index pursuant to the Commodity Exchange Act, and
2. have received no-action relief from the CFTC for offer or sale to US persons.

The list of products which Euronext will make available to US persons is contained in Exhibit D-2.

Of these, the equity-related products and the dates of their respective no-action relief letters are the following:

#	Contract	Date of no-action relief
1	CAC 40 Future	5 March 2007
2	CAC 40 Mini Future	13 September 2013
3	FTSEurofirst 80 Index Futures	22 January 2004
4	FTSEurofirst 100 Index Futures	22 January 2004
5	FTSE EPRA/NAREIT Europe Index	10 July 2008

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**EXHIBIT E: TERMS AND CONDITIONS OF CONTRACTS TO BE MADE AVAILABLE IN THE US****E-3:****Demonstrate that the contracts are required to be cleared.**

The requirement for Contracts to be cleared is stated within the Rules in Book II, in the second paragraph of Article P/M 1.0:

“The MATIF (“Marché à Terme International de France”) and the MONEP (Marché des Options Négociables de Paris) are two regulated markets, within the meaning of Article L.421-1 of the “Code Monétaire et Financier”, which are operated by Euronext Paris.

As a result of an agreement, trades carried out on the MATIF and the MONEP are cleared and guaranteed by Banque Centrale de Compensation, hereafter LCH.CLEARNET, according to the conditions and limits specified by the operating rules of the clearing house LCH.CLEARNET.

Unless otherwise specified, the following provisions of this Book II of the Euronext Rule Book shall apply equally to both of these markets in addition or, where such is the case, by special dispensation to those of Book I.”

In addition, the Contract information on the website ([www.euronext.com](http://www.euronext.com)) specifies the applicable Clearing House, which is LCH SA for all Euronext Paris Contracts.

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**EXHIBIT E: TERMS AND CONDITIONS OF CONTRACTS TO BE MADE AVAILABLE IN THE US**

**E-4:**

**Identify any contracts that are linked to a contract listed for trading on a United States-registered entity, as defined in section 1a(40) of the Act. A linked contract is a contract that settles against any price (including the daily or final settlement price) of one or more contracts listed for trading on such registered entity.**

The FBOT has no contracts that are linked to a contract listed for trading on a United States-registered entity, as defined in section 1a(40) of the Act.

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**EXHIBIT E: TERMS AND CONDITIONS OF CONTRACTS TO BE MADE AVAILABLE IN THE US****E-5:**

**Identify any contracts that have any other relationship with a contract listed for trading on a registered entity, *i.e.*, both the foreign board of trade's and the registered entity's contract settle to the price of the same third party-constructed index.**

The FBOT has no contracts that have any other relationship with a contract listed for trading on a registered entity, *i.e.* where both the foreign board of trade's and the registered entity's contract settle to the price of the same third party-constructed index.

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**EXHIBIT E: TERMS AND CONDITIONS OF CONTRACTS TO BE MADE AVAILABLE IN THE US****E-6:**

**Demonstrate that the contracts are not readily susceptible to manipulation. In addition, for each contract to be listed, describe each investigation, action, proceeding or case involving manipulation and involving such contract in the three years preceding the application date, whether initiated by the foreign board of trade, a regulatory or self-regulatory authority or agency or other government or prosecutorial agency. For each such action, proceeding or case, describe the alleged manipulative activity and the current status or resolution thereof.**

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***Demonstrate that the contracts are not readily susceptible to manipulation.***

Euronext uses a risk-based approach to mitigate risks to contract and market integrity. This approach promotes high standards of integrity and fair dealing.

The identification of significant risks is based on an assessment of the impact and probability of crystallisation of risks. The main categories of risk for the markets are broadly:

- Contract-specific
- Market-wide, or
- Clearing.

The contract-specific risks are addressed principally through application of the following measures which aim to minimise inherent risks and to manage residual risk elements:

- Contract design, as described in this Exhibit E-6
- Incentive scheme scrutiny, as also described in this Exhibit E-6, and
- Front-line operations and real-time surveillance, as described in Exhibit G-2.

The Euronext product range is diverse, encompassing futures and option contracts based on a variety of instruments.

[Redacted Confidential Text]

All contracts executed on the trading system are subject to the same front-line operations and real-time surveillance, while the post-trade monitoring process is designed to identify potentially abusive behaviours as described by ESMA.

### Contract Design

In line with the Tokyo Communiqué which the CFTC was instrumental in establishing, the contract design of Euronext's derivatives products reflects the international consensus on the elements to be considered in order to reduce the possibility that a commodity contract may be susceptible to manipulation or disorderly conditions.

The approval process at Euronext for each contract includes a Regulatory Review to determine, and formally document, whether a new or amended contract satisfies, inter alia, the requirements.

Amendments to Contract Specifications are made in the interests of maintaining a fair and orderly market. Criteria applicable to changes would normally include ensuring that:

- the interests of those already holding long or short positions in the contract are protected, and
- the changes enhance the Contracts for risk management purposes.

Incentive scheme scrutiny

The amount and level of benefits to be made available under a proposed incentive scheme are reviewed to ensure that they are appropriate.

Consideration is given to whether the scheme:

- could have the effect of incentivising market participants to make false prices and thereby undermine the efficacy of the price formation process, and/or
- is susceptible to other forms of abuse such as encouraging persons to enter into transactions for other than proper trading purposes.

***In addition, for each contract to be listed, describe each investigation, action, proceeding or case involving manipulation and involving such contract in the three years preceding the application date, whether initiated by the foreign board of trade, a regulatory or self-regulatory authority or agency or other government or prosecutorial agency. For each such action, proceeding or case, describe the alleged manipulative activity and the current status or resolution thereof.***

[Redacted Confidential Text]

F

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**EXHIBIT F—THE REGULATORY REGIME GOVERNING THE FOREIGN BOARD OF TRADE IN ITS HOME COUNTRY OR COUNTRIES**

**F (1):**

**A description of the regulatory regime/authority's structure, resources, staff, and scope of authority; the regulatory regime/authority's authorizing statutes, including the source of its authority to supervise the foreign board of trade; the rules and policy statements issued by the regulator with respect to the authorization and continuing oversight of markets, electronic trading systems, and clearing organizations; and the financial protections afforded customer funds.**

**(2) A description of and, where applicable, copies of the laws, rules, regulations and policies applicable to:**

**(i) The authorization, licensure or registration of the foreign board of trade.**

**(ii) The regulatory regime/authority's program for the ongoing supervision and oversight of the foreign board of trade and the enforcement of its trading rules.**

**(iii) The financial resource requirements applicable to the authorization, licensure or registration of the foreign board of trade and the continued operations thereof.**

**(iv) The extent to which the IOSCO Principles are used or applied by the regulatory regime/authority in its supervision and oversight of the foreign board of trade or are incorporated into its rules and regulations and the extent to which the regulatory regime/ authority reviews the applicable trading systems for compliance therewith.**

**(v) The extent to which the regulatory regime/authority reviews and/or approves the trading rules of the foreign board of trade prior to their implementation.**

**(vi) The extent to which the regulatory regime/authority reviews and/or approves futures, option or swap contracts prior to their being listed for trading.**

**(vii) The regulatory regime/authority's approach to the detection and deterrence of abusive trading practices, market manipulation, and other unfair trading practices or disruptions of the market.**

**(3) A description of the laws, rules, regulations and policies that govern the authorization and ongoing supervision and oversight of market intermediaries who may deal with members and other participants located in the United States participants, including:**

**(i) Recordkeeping requirements.**

**(ii) The protection of customer funds.**

**(iii) Procedures for dealing with the failure of a market intermediary in order to minimize damage and loss to investors and to contain systemic risk.**

**(4) A description of the regulatory regime/authority's inspection, investigation and surveillance powers; and the program pursuant to which the regulatory regime/authority uses those powers to inspect, investigate, and enforce rules applicable to the foreign board of trade.**

**(5) For both the foreign board of trade and the clearing organization (unless addressed in Supplement S-1), a report confirming that the foreign board of trade and clearing organization are in regulatory good standing, which report should be prepared subsequent to consulting with the regulatory regime/authority governing the activities of the foreign board of trade and any associated clearing organization. The report should include:**

**(i) Confirmation of regulatory status (including proper authorization, licensure and registration) of the foreign board of trade and clearing organization.**

**(ii) Any recent oversight reports generated by the regulatory regime/authority that are, in the judgment of the regulatory regime/authority, relevant to the foreign board of trade's status as a registered foreign board of trade.**

**(iii) Disclosure of any significant regulatory concerns, inquiries or investigations by the regulatory regime/authority, including any concerns, inquiries or investigations with regard to the foreign board of trade's arrangements to monitor trading by members or other participants located in the United States or the adequacy of the risk management controls of the trading or of the clearing system.**

**(iv) A description of any investigations (formal or informal) or disciplinary actions initiated by the regulatory regime/authority or any other self-regulatory, regulatory or governmental entity against the foreign board of trade, the clearing organization or any of their respective senior officers during the past year.**

**(6) For both the foreign board of trade and the clearing organization (unless addressed in Supplement S-1), a confirmation that the regulatory regime/ authority governing the activities of the foreign board of trade and the clearing organization agree to cooperate with a Commission staff visit subsequent to submission of the application on an “as needed basis,” the objectives of which will be to, among other things, familiarize Commission staff with supervisory staff of the regulatory regime/authority; discuss the laws, rules and regulations that formed the basis of the application and any changes thereto; discuss the cooperation and coordination between the authorities, including, without limitation, information sharing arrangements; and discuss issues of concern as they may develop from time to time (for example, linked contracts or unusual trading that may be of concern to Commission surveillance staff).**

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**F (1):**

***A description of the regulatory regime/authority's structure, resources, staff, and scope of authority; the regulatory regime/authority's authorizing statutes, including the source of its authority to supervise the foreign board of trade; the rules and policy statements issued by the regulator with respect to the authorization and continuing oversight of markets, electronic trading systems, and clearing organizations; and the financial protections afforded customer funds.***

The institutional structure for securities markets regulation in France mainly involves two regulatory agencies: the *Autorité de contrôle prudentiel et de Résolution* (ACPR) and the *Autorité des marchés financiers* (AMF), under a variation of a twin peaks model. The ACPR is primarily in charge for the prudential supervision of investment services providers (ISPs) and market infrastructure providers, including regulated markets (RMs), multilateral trading facilities (MTFs) and central clearing counterparties (CCPs). On the other hand, the AMF is the markets supervisor and is responsible for conduct supervision of all participants in the securities market including investment service providers (ISPs), Portfolio Management Companies (PMCs), and market infrastructure providers, and exercises prudential supervision over PMCs and the funds they administer. The powers and responsibilities of these authorities are established by law.

The AMF was established by the *Loi de sécurité financière (LSF)* of 1 August 2003. It was formed from the merger of the *Commission des opérations de bourse (COB)*, the *Conseil des marchés financiers (CMF)* and the *Conseil de discipline de la gestion financière (CDGF)*. Its responsibilities, powers and authority are determined by law and orders, mainly in the *Code monétaire et financier (COMOFI)* (Book VI, articles L. 621-1 and further) and additionally in the Commercial Code.

The ACPR was established on 21 of January 2010 by the ordinance n° 2010-76. It was formed from the merger of the *Commission bancaire (CB)*, the *Autorité de contrôle des assurances et des mutuelles (ACAM)*, the *Comité des entreprises d'assurance (CEA)* and the *Comité des établissements de crédit et des entreprises d'investissement (CECEI)*. Its responsibilities, powers and authority are determined by law and in the area of the ISPs mainly by the COMOFI. The ACPR statutory mission is defined in article 612-1 *et seq.* of the COMOFI which states that the ACPR is responsible for ensuring financial stability, and protecting customers and policy holders, members and beneficiaries of the entities subject to its supervision.

The legal nature of the AMF and the ACPR differs. The AMF is an “independent public authority” (*i.e.* a legal person placed outside the regular administrative structures, performing public functions, in accordance with independent processes and having an autonomous budget). The ACPR is an “independent administrative authority” (*i.e.* institution without legal personality placed outside the regular administrative structures, performing public functions, in accordance with independent processes and having an autonomous budget outside that of the French State), attached to the central bank, *Banque de France* (BdF).

As of the end of 2015, the number of staff at the AMF was roughly 480. The number of staff has grown over the years, for example, at the end of 2006, the AMF had 350 employees.

Total budget of the AMF amounted to EUR 110 m in 2016.

As of the end of 2015, the ACPR had roughly 1 050 employees. The staff of the ACPR increased due to the new mission of consumer protection in the banking and insurance sectors together with strengthening the headcount in insurance supervision.

Total financial resources of the ACPR amounted to EUR 194 m in 2016.

***The regulatory regime/authority's authorizing statutes, including the source of its authority to supervise the foreign board of trade.***

The AMF statutory objectives are defined in art. L. 621-1 of the COMOFI which states that the AMF's role is to: (i) insure the protection of savings invested in financial instruments and all other investments which give rise to publicly marketed financial products ; (ii) oversee the information provided to investors and the proper functioning of the financial instruments markets (and of other assets such as greenhouse gas emission allowances); (iii) lend its support to the regulation of markets at EU and international level; and (iv) ensure that approved codes of conduct applicable to the relevant professionals are implemented. The *Loi de régulation bancaire et financière* (LRBF) now makes explicit the need for the AMF to take financial stability into consideration when carrying out its mandate.

From an operational perspective most of the responsibilities for securities markets regulation and supervision correspond to the AMF, including: (i) issuers (review of prospectus, tender offers documents, as well ongoing and periodic reporting), (ii) collective investment schemes (CIS) (authorization of PMCs as well as of the CIS themselves and their ongoing supervision both prudential and conduct of business); (iii) market and conduct supervision of ISPs, regulated markets (RM) and other financial market infrastructures (iv) market surveillance; as well as (v) enforcement actions stemming from these functions.



***The rules and policy statements issued by the regulator with respect to the authorization and continuing oversight of markets, electronic trading systems, and clearing organizations.***

The general framework for the authorisation and the functioning of a RM is provided by Title V of the AMF's General Regulation (RG AMF) (see art. 511-5 to 515-3). Pursuant to art. L 421-4 of the COMOFI and art. 511-5 to 515-3 of the RG AMF, authorisation as a regulated market in financial instruments shall be decided by order of the Minister for the Economy on a proposal from the AMF with the participation of the ACPR. The AMF, in consultation with the ACPR, must review the file and issue a recommendation for authorisation if it considers that all the conditions for authorisation are met.

An MTF can be managed by a market operator or an investment service provider (service referred to in point 8°, art. L. 321-1 of the COMOFI). Pursuant to art. L.424-1 and L. 424-2 of the COMOFI and art. 521-3 to art. 521-7 of the RG AMF, the authorisation of a market operator managing an MTF is granted by the AMF after the ACPR has given its opinion on the organisation, the human, technical and material resources and the financial resources of the market operator. In the case of an ISP, the authorisation is formally granted by the ACPR after the AMF has given its opinion on whether the intended resources are adequate for the program of operations proposed.

Ongoing supervision is a responsibility shared by the ACP and the AMF.

Pursuant to article L. 421-11 III of the COMOFI, the ACPR is in charge of prudential supervision which in the French context includes (i) internal controls and risk management, (ii) proper functioning of technical systems (Ministerial Order of 3 November 2014 is dedicated to the management of technical systems, operational failure and information on the record keeping system and does apply to Euronext Paris by virtue of its extension to the market infrastructure), and (iii) financial resources.

Pursuant to articles L. 421.-10 and L. 421-11 in the case of RMs and 424-2 in the case of MTFs, the AMF is in charge of overseeing: (i) market rules (and that they are transparent and non-discriminatory); (ii) conduct of business of market members; (ii) rules of conduct applicable to persons acting under member's responsibility or on their behalf, and (iv) arrangements to facilitate the efficient and timely settlement of the transactions executed under its systems.

According to the general framework which governs the cooperation between the French financial supervisory authorities (see. art. L. 631-1 COMOFI), the ACPR and the AMF are mandated to exchange information among themselves within the scope of fulfilling their respective missions. This article provides the legal basis for cooperation. There are regular contacts between technical staff and sharing of information. The bulk of resources have been mostly dedicated to the oversight of Euronext in the AMF because the volumes in platforms outside of Euronext are still too low.

With respect to cross border supervision, the five competent authorities in the European jurisdictions where Euronext has markets (Netherlands, Belgium, France, Portugal and the UK) have signed in 2007 a MoU in order to jointly address the oversight of Euronext. This MoU was updated in 2010 and 2014. As per the MoU the authorities have committed to consult each other on certain decisions, that include: (i) changes to the market structure (mergers, acquisitions, closing of a market, etc); (ii) changes in ownership and organizational structure; (iii) appointments to the board, management; (iv) changes in rules within the harmonized rule book; (v) changes to systems and controls; and (vi) significant changes to financial/human/technological resources.

The MoU provides the concrete framework and procedures to deal with these issues. The framework is also supported by regular meetings among the relevant authorities at three levels: Working Party level, Steering Committee, and Chairmen Committee. The College of Euronext regulators works by consensus. The list of items of mutual interest requires the non-objection of the Chairmen's Committee. The ground work is done by the Working Party that provides a recommendation to the Steering Committee. Euronext is required to send in advance, the information to the Steering Committee which should respond in a reasonable amount of time. For issues that do not have a major impact, a streamlined procedure has been established.

A college of supervision has also been established on the oversight of LCH SA between the relevant authorities.

On an ongoing basis, market operators are required to communicate to the AMF and the ACPR any disruption; on this basis, regulators can ask Euronext to take actions if necessary.

#### ***The financial protections afforded customer funds.***

Art. L. 533-10, 7° of the COMOFI requires ISPs, when holding financial instruments belonging to clients, to safeguard clients' ownership rights, and to prevent the use of a client's instruments on own account except with the client's express consent.

Art. 312-6 of RG AMF requires ISPs to (i) keep such records and accounts as are necessary to enable them at any time and without delay to distinguish assets held for one client from assets held for other clients, and from their own financial instruments; (ii) maintain their records and accounts in a way that ensures their accuracy, and in particular, their correspondence to the financial instruments belonging to clients; (iii) conduct periodic reconciliations between their internal accounts and records and those of the third parties with whom the clients' financial instruments are held; (iv) take the necessary steps to ensure that any client financial instruments deposited with a third party can be identified separately from the financial instruments belonging to the ISP by means of differently titled accounts on the books of the third party or other equivalent measures that achieve the same level of protection; (v) introduce adequate organisational arrangements to minimise the risk of loss or diminution of clients' assets or rights in connection with those financial instruments resulting from misuse of the financial instruments, fraud, poor administration, incorrect record-keeping or negligence.

Art. 312-7 of the RG AMF requires ISPs to ensure that the statutory auditor of their accounts make a report at least every year to the AMF on the adequacy of the measures taken by them relative to the protection of their clients' financial instruments. On the basis of this annual control, the AMF may order entities to take corrective actions if necessary.

In certain cases, the AMF has power to appoint an agent in order to safeguard clients' assets during a specific period. In addition, there is a specific regime regarding custody account keepers set out by art. 322-1 et seq. of the RG AMF.

In the same way, according to art. L. 533-10, 8° of the COMOFI and the Order of 6 September 2017 related to the segregation of funds Investment firms' customers, Investment firms (*i.e.* ISPs which are not credit institutions) shall deposit without delay all of the funds of their clients on one or more accounts opened specially for this purpose within a credit institutions (or another of the institutions listed in article 18 § 1 (a) of the Directive 2006/73/EC). Such accounts are separately identified from any other accounts which are used to hold funds belonging to the Investment firm. At any moment, the investment firms subject to the Order should be able to provide to the ACPR a justification of their compliance with such obligation.

Moreover, as set out in the Order of 6 September 2007, the funds segregated into a credit institution authorised by a member State of the EU or the EEA (or a bank authorised in a third country), may be paid into sight or term deposit accounts, being precised that the denomination of such account shall mention the appropriation of the sums deposited in compliance with the segregation requirements. Investment firms shall also reconcile on a regular basis their accounts and internal registers with those of the credit institutions with whom these assets are held.

Finally, according to the Order of 6 September 2007, credit institutions shall be selected and appointed by the investment firms with extreme care, diligence and competence. Periodic assessment must be carried out, under the control of the ACPR.

In any cases, the funds deposited within a credit institutions and related to the provision of investment services are included into the scope of the Guarantee Fund, as defined by the EU Directive 94/19/EC on deposit-guarantee schemes.

***F (2):***

***A description of and, where applicable, copies of the laws, rules, regulations and policies applicable to:***

***(i) The authorization, licensure or registration of the foreign board of trade.***

The general framework for the authorisation of a Regulated Market (RM) or an MTF is described in F(1).

As part of the registration process the AMF and the ACPR must review that:

- the rules of the RM or the MTF comply with the relevant laws and regulations (they should be transparent and non discriminatory and based on objective criteria);
- the operator's organisation, human, technical and material resources and financial resources are suitable for managing the market. Prudential requirements are set forth in Order of 2 July 2007;
- the operator has made the necessary arrangements for ensuring that the RM meets the requirements of the RG AMF on a continuous basis, including arrangements for supervising trading in the market, for supervising market members, as well as for monitoring the compliance of its business and staff. In the case of RM, such arrangements must include mechanisms to monitor compliance with market abuse obligations;
- the operator has in place effective arrangements for ensuring the efficient and timely settlement of the transactions executed.

Overall an applicant for a RM must submit the following information:

- a programme of operations setting out the organisation and resources of the operator with respect to the proposed activity on the market, including the type of transactions proposed and the human and technical resources that it has implemented or plans to implement;
- the curricula vitae of its directors and officers and of any other person likely to effectively direct the business and operation of the RM;
- the identity of persons who are in a position to exercise, directly or indirectly, significant influence over the management of the regulated market, as well as the amount of their holdings (shareholders who, alone or in concert, own directly or indirectly 10% or more of the capital or voting rights are deemed to exercise significant influence);
- the latest annual accounts, where they exist, and the financial resources available to it when the regulated market is recognised;
- agreements, if any, for outsourcing the management of trading systems and information dissemination systems;
- market rules, including the rules for admission of securities to trading and access to the market (which should be transparent and non discriminatory and based on objective criteria);
- the conditions and procedures for consulting with market members and issuers whose financial instruments are admitted to trading on the RM, if such rules are modified;

- a description of the arrangements for settling transactions and the rules of the system or systems used for settlement and delivery of financial instruments, as well as the operating rules of the clearing house used by the exchange, where such is the case. When CCPs are used such clearing house must be compliant with EMIR European regulation. In case the RM does not use a CCP, the market operator must make sure that there are proper arrangements for the settlement of the transactions: this is relevant only for securities markets as clearing is mandatory for listed derivatives as per Article 29 of MIFIR

Similar information is required from an MTF.

The analysis of the AMF and ACPR is based on the program of operations submitted by the requesting entity.

***(ii) The regulatory regime/authority's program for the ongoing supervision and oversight of the foreign board of trade and the enforcement of its trading rules.***

As a general principle, pursuant to art. L. 421-10 and art. L. 424-2 of the COMOFI, the AMF requires RMs and MTFs to establish and maintain transparent and non discriminatory rules, based on objective criteria, governing access to trading or membership. Breaches of this principle are subject to enforcement actions by the AMF (art. L. 421-10 or art. L. 424-2 of the COMOFI).

Ongoing supervision is a responsibility shared by the ACPR and the AMF as described before in F.

The AMF has developed a set of arrangements for oversight of Euronext, in particular:

- frequent meetings with Euronext; two out of four meetings per month with the College of Euronext regulators; bilateral meetings every three months (based on periodic supervision of trading activity) and ad hoc meetings, on average monthly bilateral meetings. Depending on the subject, these meetings can also be attended by the ACPR;
- designation of professional licenses for four functions (cash market, derivatives, ethics, and market surveillance) and regular contact with designated persons: for example recently on the issue of outsourcing;
- annual reports by each of the designated persons on their respective functions;
- daily reporting of orders and transactions;
- obligation to report IT incidents as well as to carry out a post-mortem;
- obligation to report suspicious transactions.

The ACPR has also established a set of arrangements for the oversight of Euronext:

- on-site inspections of Euronext, the last one in 2006 on internal controls;
- regular meetings with Euronext (usually 3-4 a year);
- an annual report on internal controls;
- annual audited financial statements;
- semi-annual results and a solvency report;
- balance sheet on a quarterly basis;
- report on large exposures on a quarterly basis.

There is a three tiered approach for market surveillance:

- market members: must have in place programs to monitor clients and proprietary activities;
- operators of RMs and MTFs: are mainly responsible for real time surveillance of the market for the purpose of ensuring orderly trading; while they have a complementary role in the investigation of unfair practices including market abuse;
- AMF: operates as the front line regulator for purpose of detecting unfair trading practices, including market abuse. Such function is performed by the Market Surveillance Division.

The AMF conducts market surveillance on a t+ 1 basis, with the goal of detecting market abuse. For such purpose it has developed an automated system, which includes a basic alert system (identifying in particular abnormal price movements, market shares, volumes) and a scenario-based alert system (aimed at identifying pre-defined patterns of market abuses or of any other breaches of applicable law and rules). The AMF also relies on event-driven surveillance (notably where price sensitive information is disclosed in the press).

***(iii) The financial resource requirements applicable to the authorization, licensure or registration of the foreign board of trade and the continued operations thereof.***

In addition to its status as a market operator, Euronext Paris has to meet minimum capital requirements and solvency ratios.

The ACPR must review that the following requirements are in place:

- capital: Euronext Paris is obliged to have a minimum capital of EUR 300 000 (see Order of 2 July 2007);
- in accordance with Order of 2 July 2007; 8% of credit and dilution risk, market risk and operational risk must be covered by capital.

***(iv) The extent to which the IOSCO Principles are used or applied by the regulatory regime/authority in its supervision and oversight of the foreign board of trade or are incorporated into its rules and regulations and the extent to which the regulatory regime/authority reviews the applicable trading systems for compliance therewith.***

The AMF can respond positively to the question. At the beginning of 2012, the International Monetary Fund (IMF) conducted an FSAP assessment based on the updated IOSCO Principles and Objectives of Securities Regulation, adopted on 30 September 2011. In general, conclusions suggest a high level of compliance with the Principles on Secondary Markets.

In accordance with the regulatory framework, the AMF has set up arrangements for the supervision and the oversight of Euronext with the cooperation of the ACPR. The bulk of resources are dedicated to the supervision of Euronext, given the importance of this market.

The College of Euronext regulators is also established for the joint supervision of Euronext by all the relevant authorities.

In addition, the AMF has a market surveillance team and is active in enforcement of market abuse provisions.

The AMF conducts an important number of investigations every year, and administrative sanctions have been imposed for market abuse infractions.

***(v) The extent to which the regulatory regime/authority reviews and/or approves the trading rules of the foreign board of trade prior to their implementation.***

The rules of an RM are subject to approval by the AMF (art. L. 421-10 of COMOFI). The rules of a MTF as well as their modifications are submitted to the AMF before entering into force. The AMF can object to their application if it considers that they are not compatible with the legal framework. (art. L. 424-2 of COMOFI).

In addition, as per article 511-3 of the RG AMF, the market operator shall promptly inform the AMF of any changes to the items in the file that resulted in the market being recognised as a regulated market. The AMF shall determine the measures to be taken as a result of such changes, and in particular, whether the provisions of article L. 421-6 of the COMOFI shall apply. When the operator of a RM operates an MTF, it shall inform the AMF of any amendments it intends to make to the items taken into account when its authorisation was granted. The AMF shall inform the market operator of the possible consequences such amendments may have on its authorisation (article 511-13 of the RG AMF).

***(vi) The extent to which the regulatory regime/authority reviews and/or approves futures, option or swap contracts prior to their being listed for trading.***

A legal obligation set out in article L. 421-14 I & III. of the COMOFI requires that regulated markets establish derivatives rules ensuring that the design of the derivatives contracts allow for orderly pricing as well as for the existence of effective settlement conditions.

The AMF is in charge of overseeing that derivatives contracts rules of regulated markets meet these conditions but does not approve all the specifications of the derivatives contracts. Nevertheless, the AMF has the power to ask the market operator to change contracts provisions if it considers that they are not compliant with the legal framework (articles L. 421-10 of the COMOFI).

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

In accordance with the provisions of Article 51 of MIFID2, Euronext is responsible for verifying that the terms of the contract establishing the financial instruments are clear and unambiguous, and enable a correlation between the price of the financial instrument and the price or other value measure of the underlying.

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

The AMF has the power to ask the market operator to change contracts provisions if it considers that they are not compliant with the legal framework (articles L. 421-10 and L. 424-2 of the COMOFI).



***(vii) The regulatory regime/authority's approach to the detection and deterrence of abusive trading practices, market manipulation, and other unfair trading practices or disruptions of the market.***

### **Prohibited misconduct.**

The Market Abuse Regulation (EU) nr. 596/2014 (the "MAR") and related Commission Implementing Regulations and Delegated Regulations, provide for specific rules that intend to prevent market abuse, such as the prohibitions on insider trading, divulging inside information and tipping, and market manipulation (the "EU Market Abuse Rules"). Euronext is subject to the EU Market Abuse Rules and non-compliance with these rules may lead to criminal fines, administrative fines, imprisonment or other sanctions.

Additionally, persons professionally arranging transactions in financial instruments have an obligation to notify the AFM of suspicious transactions.

The definition of market manipulation addresses four categories of misconducts: (i) behaviour which gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of, a financial instrument; or secures, or is likely to secure, the price of one or several financial instruments at an abnormal or artificial level; (ii) use of misleading or deceptive tactics; (iii) bring the price to an artificial level by means of transactions or orders; and (iv) transmitting false or misleading information regarding a financial instrument. The AFM has provided further guidance concerning market manipulation and the types of transactions or orders which the AFM might interpret as violations of the relevant provisions. The types of misconduct can be committed in the context of financial products, including commodity derivatives.

### **Mechanism to detect unfair trading.**

Generally speaking the AMF receives five sets of information:

- for RM and MTFs under its jurisdiction (recognized or authorized by the AMF), it receives daily reporting on orders as well as transactions executed;
- it also receives daily reporting from French credit institutions and ISPs of all transactions in financial instruments admitted to trading on a regulated market of the EEA whether these transactions have been made on an RM or not (articles 26(1) and 26(2) of MIFIR.). For this purpose, the AMF has developed a reporting system (called RDT) under which roughly 100 to 130 French credit institutions and ISPs report on a daily basis all their transactions directly to the AMF;
- in addition AMF receives a report on the part of European credit institutions and investment firms in relation to all transactions effected by them on securities falling within its jurisdiction via the Transaction Reporting Exchange Mechanism (TREM) of ESMA, which was put already in place pursuant to MiFID2.

- in parallel, the AMF has also access to data on derivatives collected by trade repositories pursuant to EMIR reporting obligations for market participants.

[Redacted Confidential Text]

- it also receives from Euroclear and LCH SA a report on the positions held and the settlement/delivery details.

Moreover, if, during an inspection process, unfair trading practices or manipulation are detected, the inspection team will immediately pass the information to its head of department in order to eventually launch a formal investigation on these practices.

[Redacted Confidential Text]

All such information is analyzed via an automated system, which includes statistical alerts and also scenario-based alerts specifically aimed at certain types of breaches. The main purpose of the detection system is to identify market abuse (insider trading and price manipulation). This system also allows identifying other types of breaches (such as breaches of the order handling rules or market halts rules).

[Redacted Confidential Text]

When no satisfactory ground can be found to explain suspicious transactions following the inquiries and due diligence conducted at the Market Surveillance Division, the inquiries are pursued by the AMF Investigations department which has larger investigative powers. At that moment, a formal investigation would be launched. Such investigations can only be opened with the consent of the AMF Secretary General.

### **Cross market surveillance.**

The AMF detection system was designed to identify potential cross-market abuses. The Market Surveillance Division analyzes on a daily basis data regarding all transactions executed on a given financial instrument, whatever the execution venue is. On the basis of these data, alerts are issued. Moreover, certain detection tests aim more specifically at comparing the trading activity on the principal market with that on the other trading venues.

The Market Surveillance Division also uses tests aimed at detecting market manipulation based on an underlying instrument and its derivatives. These tests notably consist of cross-analysis between the activity on the derivative market (and the related positions) and on the underlying financial instrument.

### **Commodities markets.**

The AMF is also responsible for the surveillance of the Matif, which comprises a specific segment for futures and options on agricultural commodities. Following the model used for equity derivatives, the Market Surveillance Division receives on a daily basis from the exchange and from the LCH SA clearing house a report on the transactions executed on the market and the positions held on these financial instruments. As a result, the Market Surveillance Division is

informed of the positions held by the clearing house members to whom it can request the detailed positions for each trader. The collection of transaction and position data by the AMF allows it to identify potential market concentrations that may disclose dominant positions. Also, for the purpose of understanding the trading activity, the AMF may ask to the traders that are active on the commodity derivative market to provide any necessary explanation.

The AMF has also been receiving since the entry into force of MIFID2 on 3 January 2018 a daily report containing all open positions in commodity contracts at individual order giver level (see exhibit G-4 for more details).

### **Cross border cooperation.**

The Market Surveillance Division exchanges information with its foreign counterparts on a regular basis. In this respect, the AMF concluded a number of bilateral and multilateral agreements providing for the exchange of information, notably the agreement included within the framework of ESMA, as well as the IOSCO multilateral agreement.

#### ***F (3):***

***A description of the laws, rules, regulations and policies that govern the authorization and ongoing supervision and oversight of market intermediaries who may deal with members and other participants located in the United States participants, including:***

##### ***(i) Recordkeeping requirements.***

Pursuant to article L. 533-10 of the COMOFI, ISPs must keep records of all services and transactions undertaken by them which are sufficient to enable the AMF to monitor compliance with its professional obligations, and in particular to ascertain that the investment firm has complied with all obligations with respect to clients or potential clients. Article L 533-10 III of the COMOFI provides that the data have to be kept for at least five years and that recorded information must be unaltered and readily accessible.

Article L. 561-12 of the COMOFI clarifies that ISP must retain clients' account information for five years after the closing of clients' accounts or the termination of business relations with them. Pursuant to this article, ISPs are also to retain documents related to these clients' transactions for five years from the date of completion. Agreements that set out the relationship with a client must be kept at least for the duration of the relationship.

French regulation stipulates that phone conversations of staff identified in RG AMF, such as traders on financial instruments or people, other than traders, who are involved in relationships with clients have to be recorded in order to ensure that transactions are lawful and comply with the clients' instructions (articles 312-40 and 312-41 of the RG AMF). It also provides that recording of traders' telephone conversations have to be kept for at least 6 months and no longer than five years.

ISPs must maintain records that permit them to reconstruct transactions and determine positions and profits and losses daily, to maintain adequate internal limits, to monitor exposures to clients, and to enforce compliance with those limits (see CRBF Regulations n°97-04 and n°97-02). The period is 5 years.

In addition, RMs and MTFs are required to keep adequate records that allow reconstructing trading activity within a reasonable time. In this regard, MIFIR Article 25 requires that the operator of a RM or MTF retain data about the transactions effected on the market it operates for at least five years, including: the name of the financial instrument bought or sold, the quantity transacted, the date and time of the transaction, the price of the transaction, the name of the market member(s) that executed the order.

***(ii) The protection of customer funds.***

See F (1).

***(iii) Procedures for dealing with the failure of a market intermediary in order to minimize damage and loss to investors and to contain systemic risk.***

In addition to the above mentioned rules on segregation of assets and protection of clients assets, the AMF has power to appoint an agent in order to safeguard clients' assets during a specific period. Besides, there is a specific regime regarding custody account keepers set out by art. 322-1 et seq. of the RG AMF.

CRBF Regulation n°93-05 concerning the supervision of large exposures (*i.e.* exposures superior to 10 percent of own funds) is also applicable to ISPs. It imposes requirements of risk spreading. The maximum exposure allowed for one counterparty is limited to 25% of own funds (weightings can be applied to the counterparty depending on their level of risk). Since 2010 the maximum exposure on credit institutions is EUR 150 million and may not exceed 100% of the shareholder funds of the institution concerned. More specifically, investment firms (non-bank ISPs) must also, at all times, ensure that the total value of the positions of any client is less than 15 times the amount of their overall own funds (art. 5 of Regulation n° 97-04).

Protection against failure of a market intermediary is also offered through LCH SA clearing.

As a clearing organization, LCH S.A is a credit institution (see article L. 440-1 of the COMOFI) which is registered in France and subject pursuant to EMIR<sup>7</sup> to supervision by a college of various European authorities, coordinating their efforts under the leadership of the ACPR and the AMF and the oversight of the BdF.

LCH SA has established a set of risk management mechanisms that is applied to all the activity of its Clearing Members. In particular it serves to address large exposure risks, starting with membership criteria for Clearing Members, which include capital requirements.

Risk exposures are monitored and covered through different margins. They are also daily marked to market. Clearing Members are required to pay initial margin (to cover default in normal conditions – market risks to become) as well as variation margin (to cover past market risks), which are calculated and called several times during the day; this includes end of day and intra-day margins. LCH SA can impose additional margins, on an individual basis. LCH SA also has a general right to require that positions be reduced (LCH SA's Clearing Rule Book article 4.1.0.7). It can also revoke trading privileges or require additional capital from a Clearing Member. LCH SA also has default funds which are sized via extreme and plausible stress testing scenarios and is daily against the exposure of the two largest member groups. The default fund is sufficient to at least cover the risk run in case of the two largest member's group's default. Contributions for the default fund are called monthly.

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<sup>7</sup> Regulation No648/2012 of the European Parliament and Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (EMIR – European Market Infrastructures Regulation)

Default procedures are in place. If a Clearing Member defaults, all its collateral, margins and/or payments to the default fund belong to LCH SA. The CCP will use first the margins and the contributions of the defaulting Clearing Member and if they are not sufficient, then LCH SA will use its own resources and then the contributions of other Clearing Members. LCH SA can exercise these rights without having to wait for bankruptcy proceedings or seek member pre-approval.

Article L. 440-9 of the COMOFI states that in case of insolvency of the Clearing Member, the CCP may transfer the position of the non defaulting clients and their guarantees deposited to cover their positions to another clearing member. The rules of the CCP specify the procedure of transfer of the position and of the collateral of the non-defaulting clients (LCH SA's Clearing Rule Book article 4.5.2.5 and subsequent). The LCH SA's instruction IV.5-2 provides the details of the liquidation and transfer procedure in case of an event of default of a Clearing Member.

The college of authorities supervising LCH SA has developed a framework for crisis management which includes periodic simulations.

***F (4):***

***A description of the regulatory regime/authority's inspection, investigation and surveillance powers; and the program pursuant to which the regulatory regime/authority uses those powers to inspect, investigate, and enforce rules applicable to the foreign board of trade.***

**AMF**

**On going monitoring.**

At the AMF, one division is in charge of the supervision of the market infrastructures (including RMs) and of overseeing: (i) market rules (and that they are transparent and non-discriminatory); (ii) conduct of business of market members; (iii) rules of conduct applicable to persons acting under member's responsibility or on their behalf, and (iv) arrangements to facilitate the efficient and timely settlement of the transactions executed under its systems. The AMF has developed a set of arrangements for the oversight of Euronext (please refer to F (2) (ii)).

In addition, two divisions are involved in on-going supervision of the ISPs (activities not covering the on-site inspections). The ongoing supervision teams also conduct supervisory visits. These visits can lead to a decision to reinforce supervision. They usually do not lead to sanctioning procedures.

## **Market Surveillance.**

As described before in F(2) (vii), the AMF developed an automated alert system which identifies unusual transactions mainly in equity, listed derivatives, bonds (to some extent) on RMs and MTF, but also OTC. [Redacted Confidential Text]

## **Suspension of trading.**

The AMF has the power to order suspensions of trading in regulated trading venues pursuant to Article L.421-10 I of the COMOFI or prohibit short-selling positions pursuant to Article L.621-20-2 of the COMOFI (for example, the decision to ban short selling of financial instruments was based on these powers). In addition, it can request the market undertaking to delist a specific financial instrument (article L. 421-10 I of the COMOFI).

## **Inspection.**

Besides the on-going supervisory activities, the AMF conducts *formal* inspections on a risk basis and uses different sources of information to determine the entities that will be subject to such a formal inspection. Internally it uses the incident database, which allows input from different divisions, including database on formal sanction procedures. External information includes the reports from regulated entities, as well as complaints.

Based on the risk analysis, inspections proposal are prepared to the Inspections department. The Inspections department prepares an inspections work program, which summarizes the risks, and the methods for the inspection, whether off or onsite. The choice for carrying out and inspection off-site or on-site depends on the risks associated with the inspection, the type and number of documents requested for the inspection, and the type of inspection that is carried out.

The AMF uses a combination of tools for enforcement.

On the formal side, the main mechanisms used are the follow up letters and sanctions.

All on-site inspections are followed by a formal letter, a follow up letter. The process is formal: the letters, the required follow-up by the regulated entity as well as the follow-up that the AMF provides are conducted in a formal manner. In these letters, the AMF requests the entity to take certain actions to correct breaches and/or prevent future irregularities, within a certain timeframe. This letter has a formal tone and weight and is taken very seriously by most market participants. The AMF expects that appropriate follow-up is given by the regulated entity.

Furthermore, the AMF may impose a penalty on the operator of a RM or a MTF, in respect of any breach of its professional obligations imposed by the applicable laws, regulations and professional rules approved by the AMF. As per Article L. 421-6 of the COMOFI, under a proposal of the AMF, the Ministry of Finance may withdraw the authorisation of a RM if the market no longer meets the conditions on which its authorisation has been premised, or if the market operator has seriously and systematically disregarded the requirements it had to fulfil.

In the case of an MTF managed by a market operator, the AMF may withdraw the authorization on similar grounds.

### **Investigation powers.**

The AMF has broad investigation powers. The general powers in relation with investigations are stated in articles L. 621-9, L. 621-9-1, L. 621-9-2 and L. 621-9-3 of the COMOFI. The AMF investigation powers apply to all natural and legal persons, and are not limited to licensed professionals, although specific rules and regulations apply to them.

The AMF investigations powers are described in article L. 621-10 of the COMOFI.

Professional secrecy, including banking secrecy, cannot be opposed to the AMF investigators (or the entities which may assist the AMF in its investigations), except by attorneys and bailiffs (article L. 621-9-3 § 1 of the COMOFI). Auditors cannot oppose professional secrecy to the AMF (articles L. 621-9-3 § 2 and L. 621-22 of the COMOFI.)

According to article L.642-2, any person who obstructs an inspection or investigation carried out by the AMF may incur a criminal penalty of up to two years imprisonment and a fine of up to EUR 300,000.

### **Administrative sanctions and criminal enforcement.**

The AMF has the power to impose administrative sanctions according to article L. 621-15 of the COMOFI. The enforcement procedure and the applicable sanctions are described in article L. 621-15 of the COMOFI. Facts which are more than three years old cannot be referred to the AMF Enforcement Committee if, during this period of time, no action has been taken in relation to their research, finding or sanctioning (article L. 621-15-I §2 of the COMOFI).

In case of an emergency, the AMF Board can suspend the activities of the intermediaries and market professionals against which sanction procedures have been initiated (article L. 621-15-I §5 of the COMOFI).

The AMF Enforcement Committee is empowered to impose administrative pecuniary sanctions within the framework provided by the COMOFI and certain basic principles, in particular the principle of proportionality. Upper limits for pecuniary sanctions are defined by the COMOFI. For example, the upper limit of the sanction for insider dealing is EUR 100 million or ten times the amount of any realized profit (or avoidance of loss).



Apart from being administrative violations sanctioned by the AMF, insider trading, price manipulation and the dissemination of false information are also criminal violations, sanctioned by the criminal authorities. Sanctions that can be imposed include imprisonment (up to 2 years) and fines (which have an upper limit of EUR 1.5 million or ten times the profits made). The criminal authorities are also in charge of sanctioning other fraudulent or deceptive conduct that can be linked to financial crime (such as embezzlement, fraud, money laundering etc).

Parallel proceedings are possible, and sanctions in both venues are possible but the amount of both sanctions together cannot exceed the maximum amount that could be imposed in either venue.

Since the LRBF was enacted on October 22<sup>nd</sup>, 2010, and came into force in September 2011, the Board of the AMF now also has the possibility to engage in a settlement procedure (“composition administrative”). The procedure is described in detail in articles L. 621-14-1 and R. 621-37-2 to R. 621-37-5 of the COMOFI.

### **ACPR**

As is the case in the AMF, the supervisory program for ISPs entails both on-going monitoring as well as on-site inspections.

#### **Ongoing monitoring.**

The ACPR has developed a risk assessment tool for purposes of on-going monitoring of ISPs.

#### **On-site inspections.**

[Redacted Confidential Text]

#### **Enforcement.**

The ACPR also sends follow up letters to ISPs, as a result of on-site inspections.

Concerning the areas under its supervision, the ACPR has other regulatory tools at its disposal from injunctions to administrative sanctions including money penalties with an upper limit of EUR 100,000,000, remedial action programs, protective measures, referral to the public prosecutor, and appointment of a provisional administrator and the initiation of receivership or liquidation proceedings.

### **Investigation powers.**

The ACPR also has broad investigative powers (article 612-24 of the COMOFI). It can:

- request to any regulated entity all the information and clarifications that it deems necessary to carry out its functions. It can request the submission of reports from the external auditors, as well as any accounting information;
- summon any regulated entity to give testimony; as well as any other person whose attendance is necessary for the exercise of its functions

### **Administrative measures.**

The ACPR also has the power to impose a broad set of administrative measures on regulated entities, pursuant to articles 612-30 to 612-37 of the COMOFI. Such measures may be :

- a warning, in order to prevent any breaches related to the best practice applicable in the financial sector;
- a formal notice, in order to require the ISP to remedy, in an appropriate timeframe, all breaches of obligations;
- a remedial action program, in order to restore or bolster the financial situation, improve the management methods or ensure that the organization is suitable for the business or development plans of the ISP;
- protective measures (placing under special supervision; restriction or temporary ban on executing certain operations; suspension, restriction or temporary ban on the free disposal of all or part of the assets of the entity under supervision; order to suspend or limit the payment of surrender values or contract advances; restriction or ban on paying a dividend to shareholders or any other remuneration of company shares; suspension of one or more executive managers);
- appointment of a provisional administrator.

Such measures must be imposed under an “adversarial” procedure. However article 612-35 authorizes the ACPR to take precautionary measures (which could be any of the protective measures described above) in emergency situations.

## **Sanctions.**

The ACPR can also initiate a sanctions procedure. This may lead to any of the following: warning; reprimand; prohibition on certain transactions; temporary suspension of one or several managers; compulsory dismissal of one or several managers; partial withdrawal of authorization or approval; total withdrawal of authorization or approval or striking from the list of authorized persons (with or without appointment of a provisional administrator); or and administrative fine of up to EUR 100,000,000. Following recent changes in the operation of the ACPR sanctions committee, the procedures that lead to the imposition of a sanction at the AMF and the ACPR are largely the same. Thus the description above is broadly applicable to the ACPR.

### ***F (5):***

***For both the foreign board of trade and the clearing organization (unless addressed in Supplement S-1), a report confirming that the foreign board of trade and clearing organization are in regulatory good standing, which report should be prepared subsequent to consulting with the regulatory regime/authority governing the activities of the foreign board of trade and any associated clearing organization. The report should include:***

***(i) Confirmation of regulatory status (including proper authorization, licensure and registration) of the foreign board of trade and clearing organization.***

Euronext Paris is duly authorised and supervised as a market operator by the AMF. The three regulated markets operated by Euronext Paris (Matif, Monep and Euronext Paris) are also regulated and supervised by the AMF in cooperation with the ACPR.

LCH SA is also duly authorised and supervised as a CCP and a credit institution by the ACPR and AMF.

***(ii) Any recent oversight reports generated by the regulatory regime/authority that are, in the judgment of the regulatory regime/authority, relevant to the foreign board of trade's status as a registered foreign board of trade.***

There are no concerns regarding the regulatory status of Euronext Paris and there are no reports to mention in this respect.

***(iii) Disclosure of any significant regulatory concerns, inquiries or investigations by the regulatory regime/authority, including any concerns, inquiries or investigations with regard to the foreign board of trade's arrangements to monitor trading by members or other participants located in the United States or the adequacy of the risk management controls of the trading or of the clearing system.***

There are no particular concerns in this respect.

***(iv) A description of any investigations (formal or informal) or disciplinary actions initiated by the regulatory regime/authority or any other self-regulatory, regulatory or governmental entity against the foreign board of trade, the clearing organization or any of their respective senior officers during the past year.***

No investigation or disciplinary action has been initiated over the past year.

***F (6):***

***For both the foreign board of trade and the clearing organization (unless addressed in Supplement S-1), a confirmation that the regulatory regime/ authority governing the activities of the foreign board of trade and the clearing organization agree to cooperate with a Commission staff visit subsequent to submission of the application on an “as needed basis,” the objectives of which will be to, among other things, familiarize Commission staff with supervisory staff of the regulatory regime/authority; discuss the laws, rules and regulations that formed the basis of the application and any changes thereto; discuss the cooperation and coordination between the authorities, including, without limitation, information sharing arrangements; and discuss issues of concern as they may develop from time to time (for example, linked contracts or unusual trading that may be of concern to Commission surveillance staff).***

The arrangements related to the sharing of information regarding transactions executed on the regulated market that is seeking FBOT registration with the CFTC and the clearing and settlement of those transactions, among the AMF, the CFTC, the relevant clearing organization and regulated market, are governed by:

- the mutual recognition arrangement signed in 1990 by the CFTC and the COB, the AMF's predecessor organisation;
- although not directly related to the FBOT registration, the understanding concerning the supervision of LCH SA (as DCO) has been signed among the US CFTC, the AMF and the ACPR on January 4th 2011 to support the CDSClear service offered by LCH SA;
- the IOSCO Multilateral memorandum of Understanding, of which both the CFTC and the AMF are signatories. Following section 6(a) of the IOSCO Multilateral Memorandum of Understanding, this MoU sets forth the Authorities' intent with regard to mutual assistance and the exchange of information for the purpose of enforcing and securing compliance with the respective Laws and Regulations of the jurisdictions of the Authorities.

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**EXHIBIT G: THE RULES OF THE FBOT AND ENFORCEMENT THEREOF**

**G-1:**  
**A description of the foreign board of trade's regulatory or compliance department, including its size, experience level, competencies, duties and responsibilities.**

Euronext's legal and compliance functions have been increasingly organised as group functions, distinct from the business units. [Redacted Confidential Text]

Each Exchange has legal and regulation departments which are responsible for all local matters, including the relationship with the local regulator. The departments also contribute to group initiatives, whether at a European level (e.g. in relation to harmonised trading arrangements) or more generally. In London and Paris the legal and regulation teams are separate from one another and in the other centres they are integrated.

For local matters, the head of the relevant legal department has a dotted reporting line to the head of the market undertaking, but the substantive reporting lines are to the Executive Legal Director and General Counsel in Europe.

Group initiatives and related matters and the relationship with the College of Regulators are the responsibility of the European Head of Regulation, who works with the local teams to identify resources to deal with the regulatory aspects of such initiatives, making use of the specialist knowledge within the team where appropriate. The regulation team works with the business and the Euronext College of Regulators.

[Redacted Confidential Text]

Compliance is a group function with dedicated staff in the Paris and Amsterdam Euronext market undertakings responsible for local matters as well as cross-border concerns involving monitoring and supervision of Members and/or issuers, as relevant. [Redacted Confidential Text]

The compliance function reports into the Group's Head of Risk and Compliance.

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**EXHIBIT G: THE RULES OF THE FBOT AND ENFORCEMENT THEREOF****G-2:**

**A description of the foreign board of trade's trade practice rules, including but not limited to rules that address the following –**

**(1) Capacity of the foreign board of trade to detect, investigate, and sanction persons who violate foreign board of trade rules.**

Real-time monitoring of trading is conducted at the business unit level and is the responsibility of the operational staff. Referrals are made by those staff to the Member Compliance department, a group level function. In addition Member Compliance monitors trading on all Euronext markets on a 'post trade' basis.

An alleged violation of the Rules by a Member of Euronext Paris is dealt with in accordance with Chapter 9 (Measures in case of Violation of the Rules) of Book I (Harmonised Rules) of the Euronext Rule Book. Please see Exhibit G-2 (3) for further details.

Each Market Services centre conducts the following functions within the framework of a common set of Operational Procedures:

- opening and closing the market: ensuring that the market is opened and closed in an orderly manner
- managing dynamic price limits: widening or removing dynamic price limits if and when appropriate within the policy promulgated in the Euronext Trading Procedures and Operational Procedures
- trade invalidation: notifying the market when particular trade(s) are under investigation, determining whether to invalidate the trade(s) and notifying counterparties and the market as a whole when a trade is invalidated. The criteria for trade invalidation are set out in the Euronext Trading Procedures
- authorising Wholesale Trades (e.g. Block Trades and Basis Trades): after checking the validity of Wholesale Trades and ensuring that Block Trades meet the relevant minimum volume requirement and also that a trade represents a fair value for a trade of its size and type)
- establishing Daily Settlement Prices: calculating Daily Settlement Prices using the within the framework set out in the Euronext Trading Procedures and relevant supplementary guidance

- terminating, and restarting, a trading session: undertaking action jointly with the other Market Services centre pursuant to the common Serious Incident Management Procedures (Annexe C.3 refers) and involving the Executive Director, Market Services or his alternate
- suspending a contract/contract month: suspending a contract/contract month where appropriate
- suspending market access in relation to a Member/Individual Trading Mnemonic (ITM): locking out a Member or ITM as a result of a technical problem or misuse of the connection or because of a Rules violation or Member default
- referring suspected violations of the Rules and Trading Procedures: making referrals on identifying a potential breach of the Rules and Trading Procedures.

Ensuring that applicants for membership meet the specified criteria is an important part of ensuring that Members have sufficient systems, controls and competence to execute business on the market. The admission of Members for all Euronext markets is carried out by the Membership Department with support from Member Compliance.

**G-2 (2):**

***Prohibition of fraud and abuse, as well as abusive trading practices including, but not limited to, wash sales and trading ahead, and other market abuses.***

The EC Market Abuse Regulation (MAR<sup>8</sup>) is intended to guarantee the integrity of European financial markets and increase investor confidence.

In accordance with Article 54 of MiFID2, Member States must require that Regulated Markets establish and maintain effective arrangements and procedures for the regular monitoring of the compliance by their members or participants with their rules. Regulated markets must monitor the transactions undertaken by their members or participants under their systems in order to identify breaches of those rules, disorderly trading conditions or conduct that may involve market abuse.

Rule 8104 in Euronext's Book I prohibits Abusive or misleading conduct:

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

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<sup>8</sup> Regulation 596/2014/EU

- (i) any action or any course of conduct that has the effect, or may be expected to have the effect, of artificially and/or abnormally moving the price or value of any Admitted Financial Instrument or any instrument underlying an Admitted Financial Instrument or the level of any index of which an Admitted Financial Instrument is a component;
- (ii) entering artificial orders or otherwise entering into or causing any artificial Transaction;
- (iii) reporting a fictitious Transaction or any other false data to Euronext or causing such data to be input into any Euronext system;
- (iv) any action or any course of conduct that creates or may reasonably be expected to create any false or misleading impression as to the market in, or price or value of, any Admitted Financial Instrument;
- (v) any other action or any other course of conduct that may damage the integrity and the transparency of any of the Euronext Markets; or
- (vi) agreeing or acting in concert with, or providing any assistance to, any Person (whether or not a member) with a view to or in connection with any action or course of conduct referred to in paragraphs (i) to (v) inclusive of this Rule 8104 or otherwise causing or contributing to a breach of any applicable Rule by such other Person.)”

Rule 8104 concerns abusive or misleading conduct and therefore covers wash trades. Front running is an offence governed by MiFID and also can be considered as insider dealing. A suspicion of front running would be referred by the exchange to the regulator.

**G-2 (3):**

***A trade surveillance system appropriate to the foreign board of trade and capable of detecting and investigating potential trade practice violations.***

Euronext uses the same tools for real-time monitoring of each of its derivatives markets. The main tools are the Monitoring and Control (M&C) System and the Dynamic Price Limits, as outlined below.

[Redacted Confidential Text]

Dynamic Price Limits are important tools for monitoring the markets and guarding against manifest errors on order entry. They protect members and each market as a whole from keying errors that inevitably occur from time to time in an automated market.



The price limits operate in real-time and any orders submitted outside the limits are automatically rejected.

*Futures:*

For futures, the price limits in the most active contract month ('blue month') are based on a number of ticks either side of the last traded price (or subsequent offers below/bids above that price).

For all other contract months, the price limits operate on the basis of a number of ticks either side of the fair value for that month, with the fair value level being calculated by the system in real-time from outright and implied spread prices available in the market. Adjusted in line with the price limits for the blue month, the price limits in the other months remain up to date and do not interrupt normal trading.

The number of ticks, or 'price limit spread', is configurable by contract month and is adjusted as appropriate to reflect market conditions. For example, the price limit spread may be widened ahead of a major economic announcement.

*Options:*

For options, the theoretical fair value price for each series is used to generate a spread, the range of which is determined from the applicable option delta value. The spread range is the price limit for the option series concerned.

***G-2 (4):***

***An audit trail that captures and retains sufficient order and trade-related data to allow the compliance staff to detect trading and market abuses and to reconstruct all transactions within a reasonable period of time.***

Euronext maintains an audit trail for at least five years of all messages to and from the trading system and all trading data.

Compliance staff, within the member compliance department are able to analyse this trading data using inhouse bespoke surveillance reports to detect behaviours which are suspicious and which may be abusive. The reports look for activity such as layering, spoofing, wash sales, market dominance and money passing.

[Redacted Confidential Text]

***G-2 (5):***

***Appropriate resources to conduct real-time supervision of trading.***

Please see G-2 (6) below.

**G-2 (6):**

***Sufficient compliance staff and resources, including those outsourced or delegated to third parties, to fulfill regulatory responsibilities.***

The structure for monitoring and supervision of Euronext's continental derivatives markets consists of:

- Market Operations: The staff in this function focus on initiating preventive and immediate corrective actions when the functioning of the orderly market is threatened and market rules are breached. Again, potential infringements of the Euronext rules are reported to Compliance for further investigation and, if required, enforcement action or referral to the competent regulator
- member compliance department\_ This is responsible for:
  - monitoring the trading on all Euronext markets on a 'post trade ' basis. The objective of this post-trade monitoring is detection of possible cases of market abuse (insider trading and market manipulation) and of possible infringements of the Euronext rules, and
  - conducting inspections of members, initiated either as part of a regular audit programme or by referrals from Market Operations, claims and complaints, or as a result of other referrals.

**Staffing**

[Redacted Confidential Text]

**G-2(7):**

***Rules that authorize compliance staff to obtain, from market participants, information and cooperation necessary to conduct effective rule enforcement and investigations.***

Chapter 8 of Book I contains the rules of conduct which Members must observe in respect of the Euronext markets.

Rule 8103 concerns co-operation with Euronext and requires that:

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

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

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

Rule 2401 sets out Members’ continuing obligations, which include requiring Members to authorise Euronext or its duly appointed agents to carry out on-site investigations during normal business hours in any place of business of the Member or its Affiliate. A Member is required to submit as soon as possible any information or document which Euronext or such agents consider appropriate for the purposes of an investigation.

Chapter 9 of Book I concerns measures in case of violations of the Rules. As part of these, Euronext may require a Member to provide any information, copies of records and documents that may be relevant for the examination of an alleged violation. In addition, Euronext may require a Member to procure the attendance of any of its directors, employees, agents and representatives at a meeting to answer questions or provide explanations that may be relevant for the examination of an alleged violation.

**G-2 (8):**

***Staff investigations and investigation reports demonstrating that the compliance staff investigates suspected rule violations and prepares reports of their finding and recommendations.***

Intra-day, or 'real-time', monitoring of the markets is aimed at:

- initiating preventive and immediate corrective actions when the functioning of the orderly market is threatened and market rules are breached
- monitoring compliance with rules relating to trading activity, including the provisions of Chapter 8 (Abusive and Misleading Conduct) of Book I on a real-time basis.

Alleged infringements of the Euronext rules are formally investigated by Member Compliance pursuant to Chapter 9 of the Euronext Rules. In every such case a report is prepared. Where the conclusion of the investigation is that a Rule or Procedure has been violated, then the applicable sanction is dictated by Market Notice N9-01.

Cases of potential market abuse are reported by Member Compliance to the competent regulator.

**G-2 (9):**

***Rules determining access requirements with respect to the persons that may trade on the foreign board of trade, and the means by which they connect to it.***

The criteria for eligibility for membership are set out in Rule 2201.

An applicant must be:

- an Investment Firm or a Credit Institution that is:
  - authorised in its home Member State to conduct business on the market, and
  - where relevant, has notified any relevant competent authority that it wishes to exercise its EEA Right in that authority's jurisdiction
- or, in the case of a Non-MIFID Firm:
  - authorised or otherwise permitted by the relevant regulatory authority to conduct business on the market, or
  - (in the absence of a requirement for authorisation or other permission), fit and proper with a business standing suitable for admission to membership.

Any applicant must:

- have suitably qualified and experienced staff
- demonstrate that its relevant personnel are fluent in English or the language of the relevant market
- have adequate internal procedures and controls in relation to its intended business on the market
- have sufficient resources for its intended business on the market
- enter into any necessary Agreement as contemplated under the Rules
- satisfy the relevant technical requirements, and
- satisfy any other criteria published by Notice.

Only applications from jurisdictions with satisfactory regulatory arrangements will be considered; such regulatory arrangements must encompass supervision of investment activity and information-sharing and supervisory co-operation.

Technical access to Euronext is via a network infrastructure managed by an Application Service Provider (ASP) or an Extranet Service Provider (ESP). While ESPs only provide connectivity from a SFTI® Point of Presence (PoP) to a customer's premises, ASPs usually provide additional services (e.g. market data, order submission, order routing). Euronext has a wide range of Application Service Providers.

[Redacted Confidential Text]

***G-2 (10):***

***The requirement that market participants submit to the foreign board of trade's jurisdiction as a condition of access to the market.***

Access to the markets is through the contractual relationship established through membership.

Rule 2101/2 of Book I states that "The trading privileges and obligations of a Member shall be set forth in this Rule Book, the Admission Agreement and in other specific agreements contemplated by this Rule Book."

Members' continuing obligations are stipulated in Rule 2401, as follows:

"A Member shall on a continuing basis:

- (i) abide by the Rules, as from time to time in force, and take all appropriate actions prescribed by the Rules;
- (ii) fulfil his obligations under the Admission Agreement and, where relevant, any other agreement(s) to which the Relevant Euronext Market Undertaking and the Member are party;
- (iii) pay the fees and charges prescribed by Euronext according to the conditions established by Euronext and communicated to Members;
- (iv) authorise Euronext or its duly appointed agents to carry out on-site investigations, during normal business hours, in any place of business of the Member or its Affiliate, and submit as soon as possible any information or document which Euronext or such agents consider appropriate for purposes of such investigations;
- (v) comply with the technical requirements of the relevant Euronext Trading Platform(s) and of any other information technology system or network operated by Euronext, as set out in the relevant agreement(s);
- (vi) notify the Relevant Euronext Market Undertaking as soon as possible and in writing of any material changes to the information submitted during the course of the Membership application, including in particular (without limitation) those in respect of the Member's authorisation, license or permission to conduct Investment Services;
- (vii) give prior written notice to the Relevant Euronext Market Undertaking of any facts or circumstances which may affect the legal form or organisation of the Member or its trading activities on the Euronext Markets, including (without limitation) any consolidation, reorganisation, merger, change of name, change of control or similar event to which the Member is or will become a party and provide such additional information as the Relevant Euronext Market Undertaking may reasonably require;
- (viii) notify immediately the Relevant Euronext Market Undertaking of the commencement or anticipation of any bankruptcy, insolvency, winding up, administration or equivalent event (including amicable settlement) in any relevant jurisdiction the Member is subject to or to which the Member is a party;
- (ix) provide the Relevant Euronext Market Undertaking with such contact details of representatives of the Member as may be determined by the Relevant Euronext Market Undertaking and notify the Relevant Euronext Market Undertaking of any changes to such details (including changes to the address of the Member) in a timely manner;
- (x) ensure that any description of his Membership or the services that he is able to provide, in the form and context in which it appears or is used, does not misrepresent the scope of the capacity which he enjoys under the Rules in relation to the Relevant Euronext Market Undertaking;

- (xi) notify immediately the Relevant Euronext Market Undertaking of the suspension or termination of a Clearing Agreement to which it is a party;
- (xii) notify immediately the Relevant Euronext Market Undertaking of its failure to comply with Rule 2501/2;
- (xiii) implement and maintain adequate internal procedures and controls in relation to its business on the market;
- (xiv) Provide Euronext with all data required pursuant to Union Law including, without limitation, requirements imposed by:
  - delegated regulation (EU) 2017/580
  - delegated regulation (EU) 2017/590
  - National Regulations implementing Article 57 of MIFID IIand comply with all associated technical requirements, such data and technical requirements being specified by Notice; and
- (xv) certify that the algorithms they deploy and use as algorithmic trading on Euronext Trading Platforms have been tested to avoid contributing to or creating disorderly market conditions.”

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**EXHIBIT G: THE RULES OF THE FBOT AND ENFORCEMENT THEREOF**

**G-3:**

**A description of the foreign board of trade's disciplinary rules, including but not limited to rules that address the following –**

**(1) Disciplinary authority and procedures that empower staff to recommend and prosecute disciplinary actions for suspected rule violations and that provide the authority to fine, suspend, or expel any market participant pursuant to fair and clear standards.**

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**G-3(1):**

***Disciplinary authority and procedures that empower staff to recommend and prosecute disciplinary actions for suspected rule violations and that provide the authority to fine, suspend, or expel any market participant pursuant to fair and clear standards.***

In respect of the Euronext markets in Amsterdam, Brussels or Paris, an alleged violation of the Rules by a Member is dealt with in accordance with Chapter 9 (Measures in case of Violation of the Rules) of Book I (Harmonised Rules) of the Euronext Rule Book.

It should be noted that action pursuant to Chapter 9 is without prejudice to:

- any action and/or measures that may be taken by Euronext based on any procedure laid down in another part of the Rules
- Euronext's right to carry out on-site inspections, during normal business hours, in respect of a member's activities on the Euronext Markets, or
- Any provision of National Regulation concerning enforcement by Competent Authorities.

Rule 9103 of Book I empowers Euronext, if a violation of the Rules by a member constitutes a threat to the integrity or the safety of the markets, or on instruction of the Competent Authority, to take immediate measures to protect the market, including suspension of all or some of a member's trading rights.

Rule 9203 of Book I (Harmonised Rules) states that when there is an alleged violation of one or more Rules, Euronext shall make a written Report of its findings, with specific reference to the Rule(s) allegedly breached by the relevant member.

The relevant member is sent a copy of the Report and, under Rule 9203/4, should present its response in writing within two weeks, unless otherwise specified, after receiving the report.

Any comments made by the member are then attached to the Report.

At either party's request, Euronext will then organise a meeting to give both parties the opportunity to ask further questions and to respond to the alleged violation. Both parties may procure the attendance of any representative, expert or other person at the meeting. However, a party may deny the attendance of the other party's experts or other persons if they are able to prove that the persons are affected by conflicts of interest. No more than eight people shall attend a meeting for either party, unless agreed otherwise between Euronext and the member.

Rule 9.2 contains the procedure for examination of an alleged violation. Euronext may:

- require a member to provide any information, copies of records and documents that may be relevant for the examination of an alleged violation
- send a representative to a member's offices during normal business hours. The representative may require immediate access to information, records and documents relevant to examination of the alleged violation, and/or
- require a representative of any member to attend a meeting to answer questions or provide explanations that may be relevant to examination of the alleged violation.

***G-3(2):***

***The issuance of warning letters and/or summary fines for specified rule violations.***

Further to the investigation of a potential breach of the Rules, Euronext may issue a Warning Letter which informs the Member that a further offence may lead to disciplinary action being taken. A fine may be imposed as described in Exhibit G-3(6) below.

***G-3(3):***

***The review of investigation reports by a disciplinary panel or other authority for issuance of charges or instructions to investigate further, or findings that an insufficient basis exists to issue charges.***

Rule 9203 of Book I (Harmonised Rules) states that when there is an alleged violation of one or more Rules, Euronext shall make a written Report of its findings, with specific reference to the Rule(s) allegedly breached by the relevant member.

The relevant member is sent a copy of the Report and, under Rule 9203/4, should present its response in writing within two weeks, unless otherwise specified, after receiving the report.

Any comments made by the member are then attached to the Report.

At either party's request, Euronext will then organise a meeting to give both parties the opportunity to ask further questions and to respond to the alleged violation. Both parties may procure the attendance of any representative, expert or other person at the meeting. However, a party may deny the attendance of the other party's experts or other persons if they are able to prove that the persons are affected by conflicts of interest. No more than eight people shall attend a meeting for either party, unless agreed otherwise between Euronext and the member.

***G-3(4):***

***Disciplinary committees of the foreign board of trade that take disciplinary action via formal disciplinary processes.***

If an offence is perceived to be market abuse, the case is referred to the Competent Authority for action.

For other cases, disciplinary action is taken by Euronext itself, in accordance with the procedure specified in detail in the Rules.

***G-3(5):***

***Whether and how the foreign board of trade articulates its rationale for disciplinary decisions.***

Disciplinary decisions are reported to the relevant regulator in accordance with Rule 9401 of Book I which states that:

“Euronext shall:

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

**G-3(6):**

***The sanctions for particular violations and a discussion of the adequacy of sanctions with respect to the violations committed and their effectiveness as a deterrent to future violations.***

Further to the investigation of a potential breach of the Rules, Euronext may issue a Warning Letter (as above) or may apply one of the sanctions set out in Rule 9301/1, which are to:

- require a member to fulfill its obligations under the Rules or require rectification towards Euronext of the violation
- either:
  - (a) require from the member liquidated damages of between EUR 500 and EUR 250,000 according to a scale published in a Notice (the Penalty Notice), or
  - (b) claim compensation for actual damage caused to Euronext's interest as a commercial operation and as a Regulated Market or to the integrity or safety of its markets, if the damage is higher than the fixed amount under (a) above
- suspend some of the member's trading or membership rights for not more than six months, and/or
- suspend the member's Euronext membership for not more than six months
- terminate the member's Euronext membership.

The sanctions which can be imposed are an effective deterrent for Members.

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**EXHIBIT G: THE RULES OF THE FBOT AND ENFORCEMENT THEREOF**

**G-4:**

**A description of the market surveillance program (and any related rules), addressing the following-**

**The dedicated market surveillance department or the delegation or outsourcing of that function, including a general description of the staff; the data collected on traders' market activity; data collected to determine whether prices are responding to supply and demand; data on the size and ownership of deliverable supplies; a description of the manner in which the foreign board of trade detects and deters market manipulation; for cash-settled contracts, methods of monitoring the settlement price or value; and any foreign board of trade position limit, position management, large trader or other position reporting system.**

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*The dedicated market surveillance department or the delegation or outsourcing of that function, including a general description of the staff*

Front-line operations and real-time surveillance tools are described in Exhibit G-2, which also provides a description of the staff/departments involved.

*The data collected on traders' market activity; data collected to determine whether prices are responding to supply and demand*

[Redacted Confidential Text]

*Data on the size and ownership of deliverable supplies*

Statistics for deliveries in 2017 were as follows:

<b>Contract</b>	<b>Deliverable</b>	<b>Deliveries, in lots</b>	<b>Size of each lot, in tonnes</b>
Milling Wheat Futures	In an approved public and private silos in Rouen and Dunkirk	1687	50
Rapeseed futures	Free on Board (FOB) at designated ports in France, Germany and Belgium	1048	50
Corn Futures	In an approved Silos in various locations in France	913	50
Rapeseed Meal Futures	Free on Board (FOB) at designated ports in the Netherlands, Germany and Belgium	66	30
Rapeseed Oil Futures	Free on Board (FOB) at designated ports in the Netherlands and Belgium	0	20
Residential Wood Pellets	Free on Board (FOB) at designated ports in the Netherlands and Belgium	10	25

***A description of the manner in which the foreign board of trade detects and deters market manipulation***

Please see Exhibits E-6 and G-2.

***For cash-settled contracts, methods of monitoring the settlement price or value***

This is achieved through a combination of the following:

- data from the as described in Exhibit D-1, which receives underlying price feeds and uses a theoretical options pricing model to generate indicative prices for all Euronext options and futures contracts
- establishment of the Exchange Delivery Settlement Price ('EDSP'), and
- real-time market monitoring, as described in Exhibit G-2.

***Any foreign board of trade position limit, position management, large trader or other position reporting system.***

Since MIFID2 entry into force, there are two types of limits superposed.

## 1/ The CCP own delivery limits

LCH SA sets position limits for commodity contracts. These limits are set pursuant to Article 4.1.0.5 of LCH SA's Clearing Rule Book (which is included at Appendix 8).

In accordance with LCH SA's Instruction IV.1-1 "Positions limits applicable on commodities futures":

- the Open Position limit is the maximum number of buying or selling contracts that a Clearing Member is authorised to keep for delivery after the expiry, per contract and per expiry
- the Open Position limit is determined by LCH SA for each expiry
- the Open Position limit is published in a Notice
- no later than the 12th business day before the D day of expiry (i.e. D-12), Clearing Members are authorised to maintain an Open Position representing maximum 200% of the Open Position limit. This authorisation is reduced by 10% each business day until D-2 when the set Open Position limit effectively applies.
- LCH SA can trigger measures to have those limits complied with; this can lead, after formal notice, to the automatic liquidation of surplus Open Positions
- on request, LCH SA can grant a derogation from the provisions of the Instruction. Any such derogation is published without revealing the identity of the requesting Member, and
- to assess the Open Position of one or several Clearing Members or a request for derogation, LCH SA may consider the aggregate of Transactions from the same financial group or persons acting in concert.

Positions limits are also applicable on financial derivatives in accordance with LCH SA's Instruction IV.1-2 "Positions limits applicable on MONEP"

## 2/ MIFID2 regulatory position limits

Under MIFID2 regime, the national supervisor, namely the AMF for Euronext Paris, has set out in consultation with ESMA a range of position limits applicable respectively to the spot month and to the (all) other months of commodity contracts, to be respected by any market participant. For each of these two maturity ranges, position limits apply intra-day and are computed by integrating the futures equivalent (delta) of options on futures. Exemptions for hedge are possible for non-financial entities.

To ensure enforcement of such limits, Euronext members have to provide Euronext Paris with a daily report of all their positions going down to the ultimate order giver and this consolidated report is in turn transmitted by Euronext Paris to the AMF. In parallel, each week Euronext Paris may determine to produce a compiled report aggregating open positions per type of market participant, akin to the Commitments of Traders report produced by US commodity exchanges (this remains optional for the time being as Euronext Paris commodity contracts are under the open interest thresholds for mandatory publication defined by ESMA).

The following table gives a summary of regulatory position limits in force for year 2018:

**POSITION LIMITS ON EURONEXT COMMODITIES CONTRACTS TO COMPLY WITH AS FROM 03/01/2018**

Contract code	Contract Name	Spot month Position limits (lots)		Other month"s Position limits (lots)	
		Before the last 12 trading days	During the Last 12 days trading days	Before the last 12 trading days	During the Last 21 days trading days before the spot month expiry
EBM	MILLING WHEAT FUTURES	60 000	20 000	60 000	100 000
ECO	RAPESEED FUTURES	25 000	7 000	20 000	25 000
EMA	CORN FUTURES	13 000		6 500	9 000
RSM	RAPESEED MEAL FUTURES	2500 or between 5% and 40% of Open interest			
RSO	RAPESEED OIL FUTURES	2500 or between 5% and 40% of Open interest			
UAN	NITROGEN FERTILISER SOLUTION	2500 or between 5% and 40% of Open interest			
RWP	RESIDENTIAL WOOD PELLETS FUTURE	2500 or between 5% and 40% of Open interest			

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**EXHIBIT H: INFORMATION SHARING AGREEMENTS AMONG THE COMMISSION, THE FOREIGN BOARD OF TRADE, THE CLEARING ORGANIZATION, AND RELEVANT REGULATORY AUTHORITIES**

**H:**

**(1) A description of the arrangements among the Commission, the foreign board of trade, the clearing organization, and the relevant foreign regulatory authorities that govern the sharing of information regarding the transactions that will be executed pursuant to the foreign board of trade's registration with the Commission and the clearing and settlement of those transactions. This description should address or identify whether and how the foreign board of trade, clearing organization, and the regulatory authorities governing the activities of the foreign board of trade and clearing organization agree to provide directly to the Commission information and documentation requested by Commission staff that Commission staff determines is needed:**

- (i) To evaluate the continued eligibility of the foreign board of trade for registration.**
- (ii) To enforce compliance with the specified conditions of the registration.**
- (iii) To enable the CFTC to carry out its duties under the Act and Commission regulations and to provide adequate protection to the public or registered entities.**
- (iv) To respond to potential market abuse associated with trading by direct access on the registered foreign board of trade.**
- (v) To enable Commission staff to effectively accomplish its surveillance responsibilities with respect to a registered entity where Commission staff, in its discretion, determines that a contract traded on a registered foreign board of trade may affect such ability.**

**(2) A statement as to whether and how the foreign board of trade has executed the International Information Sharing Memorandum of Understanding and Agreement.**

**(3) A statement as to whether the regulatory authorities governing the activities of the foreign board of trade and clearing organization are signatories to the International Organization of Securities Commissions Multilateral Memorandum of Understanding. If not, describe any substitute information sharing arrangements that are in place.**

**(4) A statement as to whether the regulatory authorities governing the activities of the foreign board of trade and clearing organization are signatories to the Declaration on Cooperation and Supervision of International Futures Exchanges and Clearing Organizations. If not, a statement as to whether and how they have committed to share the types of information contemplated by the International Information Sharing Memorandum of Understanding and Agreement with the Commission, whether pursuant to an existing memorandum of understanding or some other arrangement.**

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**H(1):**

***A description of the arrangements among the Commission, the foreign board of trade, the clearing organization, and the relevant foreign regulatory authorities that govern the sharing of information regarding the transactions that will be executed pursuant to the foreign board of trade's registration with the Commission and the clearing and settlement of those transactions. This description should address or identify whether and how the foreign board of trade, clearing organization, and the regulatory authorities governing the activities of the foreign board of trade and clearing organization agree to provide directly to the Commission information and documentation requested by Commission staff that Commission staff determines is needed:***

***(i) To evaluate the continued eligibility of the foreign board of trade for registration.***

***(ii) To enforce compliance with the specified conditions of the registration.***

***(iii) To enable the CFTC to carry out its duties under the Act and Commission regulations and to provide adequate protection to the public or registered entities.***

***(iv) To respond to potential market abuse associated with trading by direct access on the registered foreign board of trade.***

***(v) To enable Commission staff to effectively accomplish its surveillance responsibilities with respect to a registered entity where Commission staff, in its discretion, determines that a contract traded on a registered foreign board of trade may affect such ability.***

Subject to national laws and regulations, Euronext Paris confirms agreement to provide directly to the Commission information and documentation requested by Commission staff that Commission staff determines is needed to:

- evaluate the continued eligibility of the foreign board of trade for registration
- enforce compliance with the specified conditions of the registration
- enable the CFTC to carry out its duties under the Act and Commission regulations and to provide adequate protection to the public or registered entities
- respond to potential market abuse associated with trading by direct access on the registered foreign board of trade, and
- enable Commission staff to effectively accomplish its surveillance responsibilities with respect to a registered entity where Commission staff, in its discretion, determines that a contract traded on a registered foreign board of trade may affect such ability.

**H(2):**

***A statement as to whether and how the foreign board of trade has executed the International Information Sharing Memorandum of Understanding and Agreement.***

Euronext Paris is a signatory to the International Information Sharing Memorandum of Understanding and Agreement signed on 15 March 1996 at Boca Raton.

**H(3):**

***A statement as to whether the regulatory authorities governing the activities of the foreign board of trade and clearing organization are signatories to the International Organization of Securities Commissions Multilateral Memorandum of Understanding. If not, describe any substitute information sharing arrangements that are in place.***

The AMF is a signatory to the International Organization of Securities Commissions Multilateral Memorandum of Understanding, which primarily covers information sharing in the context of enforcement matters.

**H(4):**

***A statement as to whether the regulatory authorities governing the activities of the foreign board of trade and clearing organization are signatories to the Declaration on Cooperation and Supervision of International Futures Exchanges and Clearing Organizations. If not, a statement as to whether and how they have committed to share the types of information contemplated by the International Information Sharing Memorandum of Understanding and Agreement with the Commission, whether pursuant to an existing memorandum of understanding or some other arrangement.***

The AMF is a signatory to the Declaration on Cooperation and Supervision of International Futures Exchanges and Clearing Organizations (as amended in March 1998), whereby certain agreed triggering events affecting an Exchange member's financial resources or positions, unusually large price movements or relationships on a market, or a reasonable suspicion of abusive activity prompts information sharing.

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**EXHIBIT I: ADDITIONAL INFORMATION AND DOCUMENTATION**

**I:**

**Any additional information or documentation necessary to demonstrate that the requirements for registration applicable to the foreign board of trade set forth in Commission regulation 48.7 are satisfied.**

A copy of the annual report of Euronext for 2017 and the semi annual report of Euronext for 2017 can be found at <https://www.euronext.com/en/investors/regulated-information/annual-financial-reports>.

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## **SECTION 4: FORM FBOT**

**COMMODITY FUTURES TRADING COMMISSION FORM FBOT**  
**FOREIGN BOARD OF TRADE APPLICATION FOR REGISTRATION**  
**(IN ORDER TO PERMIT DIRECT ACCESS TO MEMBERS AND OTHER PARTICIPANTS)**

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**Name of applicant as specified in organizational documents**

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**Address of principal executive office**

If this Form FBOT is a new application for registration, complete in full and check here.

If this Form FBOT is an amendment to a pending application or to a final application that resulted in the issuance of an Order of Registration, list and/or describe all items that are amended or otherwise updated and check here.

When appropriate, please attach additional page(s) containing a list and explanatory statement of amendment(s) or update(s).

**GENERAL INFORMATION**

1. Name under which the business of the foreign board of trade will be conducted, if different than name specified above:

2. List of principal office(s) where foreign board of trade activities are/will be conducted:

Office (name and/or location): Euronext Paris SA  
Address: 14, place des Reflets  
CS 30064 – 92054 Paris La Défense Cedex  
France

Phone Number:

Fax Number:

Website Address: [www.euronext.com](http://www.euronext.com)

### 3. Contact Information.

3a. Primary Contact for Form FBOT (i.e., the person authorized to receive Commission correspondence in connection with this Form FBOT and to whom questions regarding the submission should be directed):

Name: Nick Weinreb  
Title: Group Head of Regulation  
Email Address: nweinreb@euronext.com  
Mailing Address: 10th floor  
110 Cannon Street  
London EC4N 6EU  
Phone Number: +44 20 7076 0929  
Fax Number:

3b. If different than above, primary contact at the foreign board of trade that is authorized to receive all forms of Commission correspondence:

Name:  
Title:  
Email Address:  
Mailing Address:  
Phone Number:  
Fax Number:

### **BUSINESS ORGANIZATION**

Describe organizational history, including date and, if applicable, location of filing of original organizational documentation, and describe all substantial amendments or changes thereto.

Euronext Paris SA is a *Société Anonyme* (limited company) with a capital of 90 868 913,99 euros. Its Nanterre Trade and Companies Register number is 343 406 732. The company was formed on 20 January 1988 in Paris.

## **SIGNATURES**

By signing and submitting this Form FBOT, the applicant agrees to and consents that the notice of any proceeding before the Commission in connection with the foreign board of trade's application for registration or registration with the Commission may be given by sending such notice by certified mail or similar secured correspondence to the persons specified in sections 3a and 3b above.

Euronext Paris has duly caused this Form FBOT to be signed on its behalf by the undersigned, hereunto duly authorized, this \_\_\_\_ day of \_\_\_\_\_, 2018.

Euronext Paris and the undersigned represent that all information and representations contained herein are true, current, and complete. It is understood that all information, documentation, and exhibits are considered integral parts of this Form FBOT. The submission of any amendment to Form FBOT represents that all items and exhibits not so amended remain true, current, and complete as previously filed.

[to be signed]

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**Signature of Chief Executive Officer (or functional equivalent), on behalf of the**

**Foreign Board of Trade**

Euronext Paris SA

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**Name of Foreign Board of Trade**



## SECTION 5: APPENDICES

Appendix	Content	
1	Hierarchy Structure Chart for the Group	
2	Articles of association of Euronext Paris	
3	3.1	Euronext Membership Application Form
	3.2	Membership Information Form
4	Contract Specifications, prospectuses or Technical Specifications (as the case may be) for the contracts specified in Exhibit E-1	
5	5.1	French Monetary and Financial Code (Code Monétaire et Financier)
	5.2	MiFID2
6	6.1	Book I (Harmonised Rules)
	6.2	Book II (Specific rules applicable to the French regulated markets)
	6.3	Trading Procedures
7	Guidance on documented procedures	
8	LCH SA's Clearing Rule Book	