

# Euronext RiskGuard Service



## What is the Euronext RiskGuard Service?

Euronext RiskGuard is a pre-trade risk management service designed to facilitate the management of trading participants' risk exposure.



## Who is Euronext RiskGuard for?

The Euronext RiskGuard service is designed for Risk Managers at Clearing Member firms and Trading Member firms.



## Why use RiskGuard?

Manage your customers' or trading firm's risk exposure in real-time, via a service integrated into the Euronext Optiq platform.

- Real-time monitoring service
- Integrated within the core architecture of Optiq® Matching Engine
- Designed to cover all asset derivatives classes: Financial Derivatives and Commodity Derivatives
- FIX 5.0 API and web-based User Interface available via Internet
- MiFID II compliant
- Including Direct Electronic Access (DEA) and Sponsored Access
- Advanced Risk Analytics features
- Competitive fee scheme



## About Euronext RiskGuard

Euronext RiskGuard provides Risk Managers at Clearing Member firms and Trading Member firms with a service that facilitates the management of their customers' or trading firm's risk exposure.

Available on the Euronext Financial and Commodity Derivatives markets, the scope of the service will progressively be extended to include additional functionalities\* and to cover all asset classes on Euronext Derivatives markets.

Euronext RiskGuard is fully compliant with MiFID II regulatory requirements.

*\*The service is currently available for Financial Derivatives and Commodity Derivatives. As part of the RiskGuard Derivatives development, additional features will be available in the future.*



### Available features in the Euronext RiskGuard Service

Note that Risk Limits can be set, amended or disabled at any time from session open to market close.

- **Drop copy:** A powerful risk management tool that provides market participants with near real-time copies of trade reports and messages related to orders.
- **Kill Switch:** ‘Suspend’ command allowing a General Clearing Member to pull orders and stop a Non-Clearing Member’s trading activity. Also available to Non-Clearing Members and Individual Clearing Members, for their own trading firm’s business and that of their clients.
- **Order Size Limits:** Possibility to define a Maximum Order Quantity for Buy and/or Sell orders for a firm or a group of traders at Contract level. For Cash Markets, it will also be possible to set Maximum Order Value.
- **Contract Restriction:** ‘Block’ command aimed at preventing a risk-monitored entity from submitting orders in a specific contract when the Risk Manager is aware that a trader does not have permission to trade a particular financial instrument.
- **Daily Maximum Exposure Position (MEP) management:** will provide General Clearing Members and Trading Members with the ability to monitor their clients’ positions or their own positions on Euronext by setting a limit against a Daily Maximum Exposure Position.
- **Email Alerts:** Risk Managers can define a list of email recipients to whom RiskGuard alerts will be sent. There is an option to select the risk controls for which emails will be generated:
  - Kill Switch
  - Contract Restrictions
- **Direct Market Access (DMA) /Sponsored Access (SA):**
  - Risk Managers at Trading Member firms can set limits at the level of the short code, i.e. Execution Within Firm short code or Client Identification short code. This allows them to monitor their clients with Direct Market Access (DMA clients).
  - Sponsored Access will be rolled out as part of the Borsa Italiana migration to Optiq. More communication will be provided in due course.
- **Additional features:**
  - Audit trail
  - Permissioning

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## Find out more

Contact the Operational Client Services Desk

Email [clientsupport@euronext.com](mailto:clientsupport@euronext.com) or call:

Belgium	+ 32 2620 0585	Norway	+ 31 20 721 9585
France	+ 33 1 8514 8585	Portugal	+ 351 2 1060 8585
Ireland	+ 353 1 6174 289	UK	+ 44 207 660 8585
Netherlands	+ 31 20 721 9585		

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