

# **INSTRUCTIONS TO EURONEXT CLEARING RULES**

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**EURONEXT CLEARING**

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## TITLE A General provisions

### Article A.1.1.1 Definitions

1. The following definitions shall apply to these *Instructions*:

«**BCS**»: the electronic application that **Euronext Clearing** makes available to *Members of the Derivatives Sections* by the methods indicated in the *Technical Manual*, that makes *Reports* and *Data Files* available and allows access to the clearing system in order to carry out transactions.

«**Cascading**»: mechanism allowing for the Final Settlement solely for the Monthly Futures contract, by progressively reducing the Futures having longer Delivery Periods to Monthly contracts.

«**DCA RTGS**»: the Dedicated Cash Account RTGS held by a participant to the *T2 System* held by a participant to the *T2 System*.

«**Segregated DCA RTGS**»: the *DCA RTGS* held by the *Settlement Agent* for the obligations to be performed by a sole *Clearing Member*.

«**FIRE**»: the part of the *Services Manual* containing the method of calculating the initial *Margins* used by **Euronext Clearing** for the *Bond Section*, applicable only in respect to Italian, Spanish, Portuguese, and Irish government bonds, and which is available to *Members* on the basis of the specific functions indicated in said manual.

«**Group**»: a banking group as defined by Article 60 of the Consolidated Law on Banking or a group in accordance with Article 11 of the Consolidated Law on Finance and the related implementing provisions.

«**Data Files**»: files in a processable format forwarded through the *Technological Infrastructure*, indicated in the *Technical Manual*.

«**ICWS**»: the electronic application provided by **Euronext Clearing** to *Members* by the methods indicated in the *Technical Manual*, which makes *Reports* and *Data Files* available and enables documents and transaction requests to be sent.

«**Technological Infrastructure**»: the set of electronic applications, comprising the *BCS* and the *ICWS*, enabling *Members* to carry out transactions with **Euronext Clearing** and to receive clearing information for BITA Sections. With reference to the Euronext Equity Section the Technological Infrastructure includes also the *WCS*, *API*, *FTP*, *FIX* electronic applications.

«**Liquidity Provider**»: means a *Clearing Member* or a *Trading Client*, who has been authorized by the *Management Company*, to support market liquidity of a particular *Financial Instrument on cash market*, in accordance with the rules of the *Market*.

«**Liquidity Provider Position Account**»: means the *Clearing Member's Position Account*, opened in addition to its *House Position Account* and *Client Position Accounts*, where *Positions* pertaining to the liquidity provider activities of the *Clearing Member* or of its *Trading Client* are registered. *Liquidity Provider Position Accounts* are available only in respect to the *Euronext Equity Section*.

«**Equity VAR**»: the part of the *Services Manual* containing the method of calculating the initial *Margins* used by *Euronext Clearing* for the *BITA Share Section*, the *Equity Derivatives Section* and the *Euronext Equity Sections*, and available to *Members* on the basis of the specific functions indicated in the *Equity VAR* manual.

«**BCS Manual**»: the part of the *Services Manual* containing the *BCS* rules and information enabling *Members* to operate the *BCS*.

«**Default Fund Manual**»: the part of the *Services Manual* containing information on the method for determining payments to the *Default Funds*.

«**ICWS Manual**»: the part of the *Services Manual* containing the *ICWS* rules and information enabling *Members* to operate the *ICWS*.

«**Manual for the creation of net balances for the ICSDs**»: the part of the *Services Manual* containing the rules on the creation of the balances to be sent to the *Settlement Systems* managed by *Foreign Entities*;

«**Technical Manual**»: the part of the *Services Manual* containing a description of information forwarded by *Euronext Clearing* to *Members* and *Settlement Agents* through the *Technological Infrastructure*.

«**Market Maker**»: A *Clearing Member*, or *Trading Client*, who has been authorized by the *Management Company*, to support the liquidity of *Derivative Financial Instrument* traded on a *Market* specified under Article B.10.1. and B.10.1bis, in accordance with the rules of said *Market*.

«**MVP**»: the part of the *Services Manual* containing the method of calculating the initial *Margins* used by *Euronext Clearing* for the *Bond Section*, available to *Members* on the basis of the specific functions



indicated in the *MVP* manual. The *MVP* method shall not apply to *Financial Instruments* subject to FIRE method.

«**Delivery Period**»: indicates the period of supply established by the *Contractual Scheme* for the futures contract on electric energy.

«**Ordinary Position**»: the set of obligations and rights arising from a contract (i.e. the *Position*) between the date of stipulation of the said contract and the term provided in the *Contractual Scheme* for its execution.

«**Notice of Payment**»: The notice of ancillary procedure E containing information on sums due from the *Clearing Member* or their cash *Settlement Agent*.

«**Disagreement Procedure**»: The procedure by which the *Settlement Agent* for cash payments, *mandated by Clearing Member*, may request the revocation of a payment instruction forwarded to *T2 System* by the *Euronext Clearing Ancillary System* or may not allow the charging of the amounts shown in the request for additional intraday *Margins* in financial instruments referred to in Article B.3.1.2 paragraph 2 of the *Instructions*.

«**Daily Settlement**»: the daily settlement indicated at article B.5.1.1 and B.5.1.2 of the *Regulations*.

«**Reports**»: the tabulated data, described in the *Technical Manual*, provided through the *Technological Infrastructure*.

«**RNI**»: the electronic transmission interbanking infrastructure of data relating to the Italian payment system, managed by the Società Interbancaria per l'Automazione (SIA-SSB).

«**Series**»: the *Derivative Financial Instruments* with the same characteristics (**contract code, currency**, underlying assets, maturity, and, where applicable, strike right and price).

«**Trading System**»: the electronic trading system for a *Market*.

«**Centralized Depository Company**»: a company that provides the *Centralized Depository Service*.

«**Market Maker Position Account**»: means the *Clearing Member's Position Account* opened in addition to its *House Position Account* and *Client Position Accounts*, where Positions pertaining to the Market

Maker activities of the *Clearing Member* or of its *Trading Client* are registered.

«**Specialist sub-account**»: sub-account of the third account opened by *Euronext Clearing* pursuant to Article B.2.1.7, paragraph 1, letter a) intended exclusively for the recording of *Positions* negotiated by a Member recognized as a "specialist" in *Derivative Financial Instruments* as defined in the relevant *Management Company's* regulations.

«**Specialist**»: a *Member* listed in the "Register of derivatives specialists" held by Borsa Italiana S.p.A..

«**WCS** »: the web application provided by *Euronext Clearing* to *Members of the Euronext Equity Section* by the methods indicated in the *Technical Manual*, which makes *Reports* and *Data Files* available and enables data visualization and transaction requests to be sent.

«**API**»: application interfaces that *Euronext Clearing* makes available to *Members of the Euronext Equity Section* by the methods indicated in the *Technical Manual*, that allow interoperability between the clearing system and *Member's* applications. The APIs make *Reports* and *Data Files* available and allow access to the clearing system in order to carry out transactions.

«**FIX Protocol**»: the electronic communications protocol enabling *Members of the Euronext Equity Section* to receive real-time trade confirmation messages concerning transactions carried out on the Euronext markets.

«**SFTP**»: channel enabling *Members of the Euronext Equity Section* to retrieve *Reports* generated by the Clearing System.

«**Eligible Credit Institution**»: shall mean either (i) a credit institution or a national central bank listed in Article B.14.1.1, to be used by *Euronext Clearing* and *Clearing Members*, or *Settlement Agents* for the daily settlement of cash amounts in currencies other than EURO pursuant to Article B.4.1.1, or (ii) the credit institution listed in Article B.14.1.2 to be used by *Euronext Clearing* and *Clearing Members*, or *Settlement Agents* for the management of cash Collateral in currency other than EURO.

«**Direct Offer**»: shall mean the liquidation procedure organised by the CCP in form of an auction, (ordinarily under a Single Unit Pay Your

Price Model) with Invited Bidders bidding for a certain Liquidation Portfolio, within a specific *Bidding Window*.

«**Invited Bidders**»: either a *Mandatory Auction Participant* or a *Voluntary Auction Participant* which has been invited by the CCP to participate in a *Direct Offer*.

«**Liquidation Portfolio**»: shall mean a portfolio of *Positions*, or a subset thereof following the application of Article B.15.1.1, including any correlated trade entered by Euronext clearing pursuant to Article B.6.2.1-ter.

«**Two Way Pricing**»: in the context of a *Direct Offer*, the CCP may require that participants submit bids to both buy and sell the same portfolio, and a CCP may set a maximum spread between the submitted bids. Bids shall conform to two-way pricing, where applicable.

«**DMP Coordinator**»: shall mean the person appointed and delegated by a Clearing Member, or Trading Client, for the purpose of managing the activities related to a default and act as single point of contact vis-à-vis the CCP.

«**Bidding window**»: shall mean the period of time during which each Invited Bidder may submit an offer to the CCP for a Liquidation Portfolio. All Invited Bidders shall have the same amount of time, starting from the receipt of the invitation referred in Article B.15.1.2, paragraph 1. The CCP shall establish, on a general or an ad hoc basis, the Bidding Window for each Direct Offer procedure.

«**Valid Bid**»: a Bid that complies with the requirements referred to within Article B.15.1.2, paragraph 6. Bids that are not valid may not be accepted by the CCP.

«**Auction Infrastructure**»: The *Technological Infrastructure*, used by Euronext Clearing and Invited Bidders, in the context of a *Direct Offer* procedure.

«**Auction Guidelines**»: The technical documentation provided by the CCP, which shall describe the operational aspects of the Direct Offer liquidation procedure.

2. The following definitions shall specifically apply in the context of the Euronext Commodity Derivatives Section (Heading B.6.5 and related Annexes):

«**Approved Silo**»: shall mean any silo, which have fulfilled the approval conditions as determined in a dedicated Annex to the Instructions.

«**Attestation to Deliver A Conventional Product**»: shall mean, exclusively in the context of silo-based physical delivery of corn contract, the pre-delivery documentation, issued by the Approved Silo, on behalf of the selling Clearing Member, to provide evidence to Euronext Clearing that the corn complies with the quality requirements in terms of Genetically Modified Organisms (GMOs), pursuant to the relevant Contractual Scheme.

«**Analysis Laboratories**»: shall mean any laboratory, which have fulfilled the approval conditions as determined in a dedicated Annex to the Instructions.

«**Authoriser**»: shall mean any authoriser, which have fulfilled the approval conditions as determined in a dedicated Annex to the Instructions.

«**Buying Clearing Member**»: shall mean a Clearing Member which, at the Expiry Day of the commodity future contract, has a buying Position for his own account or for the account of its Clients.

«**Competent Arbitration Court**»: shall mean the competent arbitration court determined in the relevant Trading Terms and Conditions applicable to each commodity contract and listed in a dedicated Annex to the Instructions.

«**Delivery Notice**»: shall mean the duly completed form signed off by both Clearing Members and submitted to Euronext Clearing to confirm and acknowledge their respective commitment to deliver/withdraw the specified quantity of underlying good at the agreed Delivery Place.

«**Delivery Period**»: shall mean the time period commencing on and including the first Trading Day following the contract's Expiry Day (D+1) and up to and including the last working day of the delivery month.

«**Delivery Places**»: shall mean any Approved Silos, Delivery Ports, or delivery areas, delivery points as determined and listed in the relevant Annexes.

«**Delivery Port**»: shall mean, in the context of any commodity contracts which physical delivery is performed under the terms of the Free on Board (FOB) or the Free Carrier (FCA) Incoterm, any designated port, as specified in the relevant commodity Contractual Scheme, where the loading of the commodity can be performed.

«**Euronext Inventory Management system or EIM system**»: shall mean the required information technology system used for the purpose of managing the physical delivery of underlying commodity.

«**Euronext Commodity Derivatives Market**»: shall be construed for the purpose of this Heading, as being the market referenced in Article B.10.1.3-bis of these Instructions.

«**Expiry Day**»: shall mean the last Trading Day of a commodity future contract.

«**GMO analysis**»: shall mean an analysis performed on Genetically Modified Organisms.

«**Incoterms**»: shall mean the International Commercial Terms defining the mutual obligations of the selling counterparty and the buying counterparty in the context of international trade, occurring on the commodity physical market. Incoterms determine risks transfer, incurred expenses, customs clearance costs and transport conditions. For the purpose of this Heading, Incoterms determine the conditions of the transfer of risks related to the goods (loss, deterioration, theft) from the selling counterparty to the buying counterparty during the Delivery Period. Incoterms determine the counterparty which is bearing the risks related to the goods and which shall subscribe the necessary insurances. The relevant Incoterm applicable to each commodity future contract pursuant to Contractual Scheme is determined in the relevant Annex dedicated to each commodity future contract.

«**Storage Capacity**»: shall mean the information submitted by the Approved Silo to Euronext Clearing, before the contract's Expiry Day, to disclose the available storage capacity dedicated to a specific commodity complying with the commodity contracts specifications.

«**Maturity or Expiry**»: shall mean the trading period of a commodity future contract linked to a series (base period of the contract).

«**Notice of Performance**»: shall mean the duly completed form signed off by both Clearing Members and submitted to Euronext Clearing to acknowledge either i) their amicable agreement to perform the physical delivery under the Alternative Delivery Procedure, either ii) the fulfilment of their respective delivery obligations in respect to final settlement of Positions in Delivery, as part of the Guaranteed Delivery Procedure. The Notice of Performance materialises the termination of the CCP Guarantee.

«**Notification Notice**»: shall mean the duly completed form signed off and submitted by the selling Clearing Member to Euronext Clearing to confirm its intention to deliver the underlying commodity related to its Positions in Delivery.

«**Selling Clearing Member**»: shall mean a Clearing Member which, at the Expiry Day of the commodity future contract has a selling Position for his own account or for the account of its Clients.

«**Storage Certificate**»: shall mean, in the context of silo-based physical delivery, the pre-delivery documentation issued by the Approved Silo, on behalf of the selling Clearing Member. Such Storage Certificate provides evidence to Euronext Clearing that a commodity's quantity satisfying the quality conditions, pursuant to the relevant Contractual Scheme, is stored in the Approved Silo's premises and registered in the name of the selling Clearing Member in the Approved Silo's books.

«**Third Party**»: shall mean any entity such, as the case may be, notably but not exclusively, Approved Silos, Analysis Laboratories, Authorisers, which have fulfilled the approval conditions as determined in a dedicated Annex to the Instructions.

«**Trading Terms and Conditions**»: shall mean any binding documentation governing commodities sales and purchase on physical market and referred to in the Contractual Scheme of the commodity future contracts traded on Euronext Commodity Derivatives Markets.

3. The definitions set out under Article A.1.1.1 of the *Regulations* shall be understood as fully applicable to the present *Instructions*, with the same meaning.

## TITLE B Central Counterparty System

### CHAPTER B.1 Membership

#### *Heading B.1.1 Membership*

##### **Article B.1.1.1 Requirements for *Clearing Members* (for *BITA Sections*)**

1. Legal persons that intend to join one or more *Sections* or modify or obtain a new membership qualification within the same *Section of the System as Clearing Members* or that intend to request to distinguish the operations of their own *Organizational Unit* must submit to *Euronext Clearing*:
  - a) a "Request for Services" using the form provided by *Euronext Clearing*, available through the *Euronext Clearing* Internet site ([www.euronext.com/it/posttrade/euronextclearing](http://www.euronext.com/it/posttrade/euronextclearing));
  - b) the following documentation/information:
    - share structure and the *Group* the company belongs to;
    - membership of other central counterparty guarantee systems;
    - place of the Clearing office;
    - the referents indicated at Article B.2.1.2, paragraph 16, of the *Regulations*;
    - whether or not an application is made to activate the "Daily statement of payments" indicated at Article B.9.1.2;
    - where the application concerns membership of both the *Equity Derivatives Section* and the *BITA Share Section*, whether separate margin calculation between *Sections* is activated as indicated at Article B.3.1.1, paragraph 3;
    - the last approved financial statement and the most recent quarterly or half-year report;



- a description of the company's and parent company's activities and their risk management and back-office structure;
  - a copy of the last rating issued to the company and/or the parent company;
- c) with regard to the asset requirements:
- a declaration attesting to the applicant's *Supervisory Capital*;
  - any guarantee as indicated at compliant with the contractual form available through the *Euronext Clearing's* website;
- d) concerning obligations that must be fulfilled in Euros, including the settlement of the amounts due as a penalty pursuant to Article B.5.3.5 of the Regulations:
- a notification of the pre-selected methods of fulfilment, directly or through a *Settlement Agent*;
  - any agreement with a *Settlement Agent* for cash, compliant with the contractual form available through the *Euronext Clearing's* website;
  - the "Settlement Bank Account Group" form of the European Central Bank, available from the [www.ecb.eu](http://www.ecb.eu) website that allows *Euronext Clearing* to debit the *DCA RTGS* in *T2 System* of the *Clearing Member* or its *Settlement Agent*;
- e) with respect to the execution of obligations to be fulfilled with the *Settlement Service*:
- a notification of the pre-selected method of fulfilment, directly or through a *Settlement Agent*;
  - any agreement with a *Settlement Agent* for settlement compliant with the contractual form available through the *Euronext Clearing's* website;



- in the event of participation in the *ICSD Bond Section*, the mandate given to *Euronext Clearing*, signed by the *Clearing Member* or the *Settlement Agent*, if any, for the transmission of the transaction settlement instructions indicated in Annex B.117;
  - in the event of participation in the *ICSD Bond Section*, an indication of the details of the accounts to be used for settlement opened with the *Settlement Service*; in the event of participation in *Sections* other than the *ICSD Bond Section*, *Euronext Clearing* acquires from the *Settlement Service* details of the settlement accounts that will be used for operations on each *Section*;
- f) with respect to the *Margins in Financial Instruments*:
- a notification of whether the *Margin in Financial Instruments* are handled whether directly or through a *Settlement Agent* pre-selected;
  - details of the securities accounts in the *Central Depository Service* for the withdraw of *Margins in Financial Instruments*; and details of the cash account for the payment of the amounts deriving from cash distribution on *Financial Instruments* deposited as *Margins*;
  - any agreement with the *Settlement Agent* compliant with the contractual form available through the *Euronext Clearing's* website;
- g) with respect to the *Technological Infrastructure*:
- the form for activation of the *ICWS*;
  - the form for activation of the *BCS*, in the case of membership of one or more the *Derivatives Sections*.
- h) the names of the persons appointed to perform the management activities exercisable non-electronically, using the form indicated in Annex B.111, and the names of the persons authorized to request the suspension of *Trading Clients* from participation in *Section(s)* in accordance with

Article B.2.3.3, of the Regulations, using the form indicated in Annex B.122B.

2. The information indicated at paragraph 1, letter a), shall be forwarded, in original, by means of registered letter with return receipt or by courier, and sent in advance by e-mail. The information under letter c), second subsection, d) second subsection, e) second and third subsection, f) third subsection, and h), shall be transmitted, alternatively, via e-mail in the form of a Pdf document duly signed by the contractual representative of the *Clearing Member* as specified under the *Request for services* or in the Contract Representative Change/Supplement form or by using the "import function" available through the *Euronext Clearing* Internet site ([www.euronext.com/it/post-trade/euronextclearing](http://www.euronext.com/it/post-trade/euronextclearing)).
3. The information indicated at paragraph 1, letter b), first six subsections, c) first subsection, d) first subsection, e) first and fourth subsection, f) first and second subsections, and g), must be forwarded electronically using the modules available through the *Euronext Clearing* Internet site (website ([www.euronext.com/it/post-trade/euronext-clearing](http://www.euronext.com/it/post-trade/euronext-clearing))), subject to provisions of Annex B.114, for legal entities operating under mutual recognition, with reference to *Supervisory Capital* information of paragraph 1, letter c).
4. The information indicated at paragraph 1, letter b), seventh and subsequent subsections, may be sent either electronically, using the "import function" available through the *Euronext Clearing* Internet site website ([www.euronext.com/it/post-trade/euronext-clearing](http://www.euronext.com/it/post-trade/euronext-clearing)), or alternatively by registered letter with return receipt or by courier.
5. The form indicated at paragraph 1, letter d) third subsection, must be received by *Euronext Clearing* by e-mail, with signature authorised by the competent central bank. The form will be countersigned by *Euronext Clearing* and re-submitted by e-mail to the *Member* or to the *Settlement Agent* who, in turn, shall forward it to the competent central bank. The process will be finalized with the successful registration of the Settlement Bank Account Group in the *T2 System*. *Euronext Clearing* will also send the original form, if so requested by the competent central bank.
6. Receipt by *Euronext Clearing* of the complete documentation as indicated above is a condition for examination of the Request for Services.

7. Where the proposed applicant has declared in the documents sent to *Euronext Clearing* referred to in paragraph 1, that it intends to avail itself of the guarantee set out in Article B.2.1.2. paragraph 5 of the *Regulations*, membership shall be subject to the *Euronext Clearing's* acceptance of such a guarantee.
8. In order to be admitted to the *Share and Bond Sections*, *Clearing Members* must have joined the *Pre-settlement Service*, referred to in Article B.11.1.1.
9. *Clearing Members* of the *Equity Derivatives Section* that intend to operate on *Derivative Financial Instruments* with "delivery" of underlying assets must have joined the *Pre-settlement Service*, referred to in Article B.11.1.1.
10. The *Clearing Members* to *Share, Bond and Equity Derivatives Section*, must participate in the *Presettlement Service* referred to in Article B.11.1.1., also on behalf of the *Trading Clients* for whom they assume the role of *General Clearing Member*.
11. If the *Clearing Members* to *Share, Bond and Equity Derivatives Sections*, avail themselves of a *Settlement Agent* to join the *Settlement Services* pursuant to Article B.2.1.2, paragraph 7, letter c), of the *Regulations*, the latter must join the *Presettlement Service* referred to in Article 15B.11.1.1.
12. The referents indicated at Article B.2.1.2., paragraph 16, of the *Regulations*, - the names of whom have been indicated by the *Clearing Member* in the documentation provided by paragraph 1, letter b) - are understood as entitled to receive all individual communications (of an operational character) from *Euronext Clearing* to the *Member* itself.
13. *Clearing Members* must send *Euronext Clearing* the following information on *Clients* other than *Trading Clients*:
  - the confirmation of the signature of the agreement signed with the *Client*, compliant with the minimum provisions available through the *Euronext Clearing's* website with separate evidence of the *Clients* identification details;
  - the name of a person to be the contact person at the *Client* in the event of the *Clearing Member's* default;
  - the *Group* the *Client* belongs to.

The information specified in the first ~~two~~ subsections must be forwarded, in original, by means of registered letter with return receipt or by courier, and sent in advance by email; the information specified in the third and fourth subsections must be forwarded electronically, using the forms drawn up by *Euronext Clearing* and available on *Euronext Clearing's* Internet site ([www.euronext.com/it/post-trade/euronext-clearing](http://www.euronext.com/it/post-trade/euronext-clearing)).

### **Article B.1.1.1-bis Requirements for Clearing Members (for the Euronext Equity and Euronext Derivatives Sections)**

1. Legal persons that intend to join the *Euronext Equity Section* or the *Euronext Equity Derivatives Section* or *Euronext Commodity Derivatives Section* shall submit to *Euronext Clearing*:
  - a) a "Request for Services" using the form provided by *Euronext Clearing*, available through the *Euronext Clearing* Internet site ([www.euronext.com/it/post-trade/euronext-clearing](http://www.euronext.com/it/post-trade/euronext-clearing)).
  - b) the following documentation/information:
    - share structure and the *Group* the company belongs to;
    - membership of other central counterparty guarantee systems;
    - place of the Clearing office;
    - the referents indicated at Article B.2.1.2, paragraph **16**, of the *Regulations*;
    - the last approved financial statement and the most recent quarterly or half-year report;
    - a description of the company's and parent company's activities and their risk management and back-office structure;
    - a copy of the last rating issued to the company and/or the parent company;

- the form outlining the *Clearing Member's Account Structure* set up, determined in compliance with the provisions of Chapter 3.0 of Part 3 of the Regulations;
  - the systematic posting choices for registration of *Positions*, pursuant to Article B.3.1.2, paragraph 3 of the Regulations;
- c) with regard to the asset requirements:
- a declaration attesting to the applicant's *Supervisory Capital*;
  - any guarantee as indicated at compliant with the contractual form available through Euronext Clearing's website;
- d) With reference to the execution of securities settlement obligations, the *Clearing Member* is required to open at least one *Delivery Account per Settlement Address*. To this purpose, the Clearing Member shall provide *Euronext Clearing* with the following information:
- a notification of the relevant selected Settlement platform/system for the settlement of financial instruments: (i) Target 2 Securities; and/or (ii) *Euroclear Bank*;
  - a notification concerning the selected *Central Depository(ies)* of reference participating to T2S settlement platform and/or the *Euroclear Bank*, related to the settlement of financial instruments, as indicated in Article B.13.1.1bis. of these Instructions;
  - the declaration of compliance concerning the relationship with any *Settlement Agent*, mentioned in Article B.1.1.6-bis;
  - an indication of the details of the securities accounts to be used for settlement opened with the relevant *Settlement Service*, as indicated in Article B.13.1.1. of these Instructions participating to T2S settlement platform and/or with Euroclear Bank;

- the power of attorney granted to *Euronext Clearing*, signed by the *Clearing Member* or the *Settlement Agent*, if any, for the transmission of the settlement instructions to the selected *Settlement Services* of reference, as indicated in Article B.13.1.1bis of these Instructions, participating to T2S settlement platform or to Euroclear Bank as indicated in Annex B.117bis;
- e) concerning obligations that must be fulfilled in Euro, including the settlement of the amounts due as a penalty pursuant to Article B.5.3.5 of the Regulations:
- a notification of the pre-selected methods of fulfilment, directly or through a *Settlement Agent*;
  - the declaration of compliance concerning the relationship with any *Settlement Agent*, mentioned in Article B.1.1.6-bis;
  - the “Settlement Bank Account Group” form” of the European Central Bank, available from the [www.ecb.eu](http://www.ecb.eu) website that allows *Euronext Clearing* to debit the *DCA RTGS in T2 System* of the *Clearing Member* or its *Settlement Agent*;
- f) with respect to the *Margins in Financial Instruments*:
- a notification of whether the *Margin in Financial Instruments* are handled directly or through a *Settlement Agent* pre-selected;
  - details of the cash account for the payment of the amounts deriving from cash distribution on *Financial Instruments* deposited as *Margins*;
  - where applicable, the declaration of compliance concerning the relationship with any *Settlement Agent*, mentioned in Article B.1.1.6-bis;
- g) with respect to the *Technological Infrastructure*:
- the form for activation of the *WCS* platform;
  - the form for activation of the *API*;

- the form for activation of the *SFTP protocol*;
- the form for activation of the *FIX Protocol*;

which are made available to *Clearing Members* through the *Member Portal*.

- h) the names of the persons appointed to perform the management activities exercisable non-electronically, in the event of malfunctioning of the *Technological Infrastructure*, by using the form indicated in Annex B.111bis.
  - i) In case the Clearing Member intends to deposit cash Collateral in USD or GBP pursuant to Article B.3.3.1ter:
    - details of the accounts *in Eligible Credit Institution* referenced in Article B.14.1.2 for the deposit and restitution of cash.
  - j) In case the Clearing Member intends to avail itself of a *Central Bank Guarantee* pursuant to Article B.3.3.7:
    - the confirmation referenced in Article B.3.3.7, paragraph 3.
2. The information indicated at paragraph 1, letter a) shall be forwarded, in original, by means of registered letter with return receipt or by courier and sent in advance by e-mail. The information indicated under paragraph 1 from letter b) to h) above shall be transmitted, alternatively, via e-mail in the form of a Pdf document duly signed by the contractual representative of the *Clearing Member* as specified under the Request for services or in the Contract Representative Change/Supplement form or by using the "import function" available through *Euronext Clearing's* website ([www.euronext.com/it/post-trade/euronext-clearing](http://www.euronext.com/it/post-trade/euronext-clearing)).
3. The form indicated at paragraph 1, letter e) third subsection, must be received by *Euronext Clearing* by e-mail, with signature authorised by the competent central bank.

The form will be countersigned by *Euronext Clearing* and re-submitted by e-mail to the Member or to the *Settlement Agent* who, in turn, shall forward it to the competent central bank. The process will be finalized with the successful registration of the



*Settlement Bank Account Group* in the *T2 System*. *Euronext Clearing* will also send the original form, if so requested by the competent central bank.

4. Receipt by *Euronext Clearing* of the complete documentation as indicated above is a condition for examination of the Request for Services.
5. Where the proposed applicant has declared in the documents sent to *Euronext Clearing* referred to in paragraph 1, that it intends to avail itself of the guarantee set out in Article B.2.1.2. paragraph 5 of the *Regulations*, membership shall be subject to the *Euronext Clearing's* acceptance of such a guarantee.
6. The referents indicated at Article B.2.1.2., paragraph ~~14~~ **16**, of the *Regulations*, - the names of whom have been indicated by the *Clearing Member* in the documentation provided by paragraph 1, letter b) – are understood as entitled to receive all individual communications (of an operational character) from *Euronext Clearing* to the *Member* itself.
7. With reference to Trading Clients and Clients registered within an ISA, Clearing Members have to be compliant at any time with the *Mandatory CCP Provisions*. *Clearing Members* undertake to incorporate within their agreements with their *Trading Clients and Clients* registered within an ISA the *Mandatory CCP Provisions* available through *Euronext Clearing's* website and to provide *Euronext Clearing* with the evidence of the *Trading Clients and Clients'* identification details, including confirmation concerning the signing of the agreements, through the form outlining the *Clearing Member's Account Structure* set up. With reference to Clients registered within a Client Omnibus Account Structure, the Clearing Member undertakes to enter into clearing agreements with said Clients, which are not incompatible with the principles and rules governing the System.
8. *Clearing Members* admitted to the *Euronext Equity Section* or the *Euronext Derivatives Sections* which intend to modify or obtain a new membership qualification within the same Section or that intend to request to distinguish the operations of their own Organizational Unit shall send *Euronext Clearing* the following information : (i) the trading venues managed by



the *Management Companies* set out under Article B.10.1.3-bis whereby they intend to act as a *Clearing Member* as well as the intended membership profile as provided under the table set out under *Annex B.111Abis*; (ii) the form set out in the same Annex outlining the *Clearing Member's Account Structure* set up, determined in compliance with the provisions of Chapter 3.0 of Part 3 of the *Regulations*; (iii) the information concerning the securities settlement set-up set out under paragraph 1 letter d) above.

9. Additionally, Clearing Members intending to operate on the *Euronext Derivatives Sections* shall provide the CCP, where applicable, with:
  - Mandates to Trading Clients as specified in Article B.1.2.3 -bis;
  - The request for exceptions concerning default Position keeping rules referenced in Article B.2.1.1-bis, paragraph 2;
  - The consent to systematic give ups pursuant to Article B.2.1.3 bis;
  - In case of the Euronext Equity Derivatives Section, for the purpose of physical delivery, the Clearing Member's account configuration in the cases requested in Article B.6.2.1bis and B.6.2.2.bis.
  
10. Furthermore, Clearing Members of the Euronext Equity Derivatives Section intending to clear Derivatives Financial Instruments denominated in one of the currencies listed in Article B.4.1.2, shall provide to Euronext Clearing the details of the accounts held by the Clearing Member or its Settlement Agent within, and the power of attorney given, in respect to the *Eligible Credit Institution* referenced in Article B.14.1.1.
  
11. Furthermore, Clearing Members of the Euronext Equity Derivatives Section intending to clear Derivatives Financial Instruments having physical delivery foreseen within the Contractual Scheme, shall ensure to have in place the relevant settlement arrangements, depending on the Derivatives Financial Instrument concerned.
  
12. Furthermore, Clearing Members intending to operate on the Euronext Commodity Derivatives Section in respect of the

Derivatives Financial Instruments for which Contractual Scheme foresees physical delivery of the underlying commodity, shall comply with the following pre-requisite conditions:

- Signature of Euronext Inventory Management system (EIM) Service Agreement, and;
- Submission of duly completed form for the activation of access to such EIM system.

### **Article B.1.1.2 Requirements for *Trading Clients admitted to Italian Markets***

1. Legal persons that intend to join the *System as Trading Clients admitted to Italian Markets* in one or more *Sections* must submit to *Euronext Clearing*:

a) an "Request for Services" using the form provided by *Euronext Clearing* and available through the *Euronext Clearing* Internet site ([www.euronext.com/it/post-trade/euronext-clearing](http://www.euronext.com/it/post-trade/euronext-clearing));

b) the following documentation/information:

- share structure and the *Group* the company belongs to;

c) with respect to the *Technological Infrastructure*:

- the form for activation of the *BCS*, in the case of membership of one or more the *Derivatives Sections*;
- the form for activation of the *ICWS*, in the event of membership in the *Derivatives Sections*, and if the *General Clearing Member* has enabled the *Trading Client admitted to Italian Markets* to receive *Reports* and *Data Files*, pursuant to paragraph 2, fourth subsection.

d) in the event of membership on the *Derivatives Section*, the form provided at Annex B.112 including the names of the persons appointed to perform the management activities exercisable non-electronically, delegated by *General Clearing Member* in accordance with Article B.1.2.3, paragraphs 1 and 2.

2. The *General Clearing Member* must forward to *Euronext Clearing* the following documentation/information relating to the *Trading Client admitted to Italian Markets*:
  - the agreement signed with the *Trading Client admitted to Italian Markets*, compliant with the contractual form available through the *Euronext Clearing's* website;
  - the referents indicated at Article B.2.1.2, paragraph 16, of the *Regulations*;
  - where membership concerns either the *Share Section* or the *Equity Derivatives Section*, the request or otherwise to activate margination separately between the *Sections* indicated at B.3.1.1, paragraph 3;
  - the (possible) enabling of the *Trading Client admitted to Italian Markets* to receive *Reports* and *Data Files*;
  - with respect solely to the *Equity Derivatives Section*, the settlement accounts that the *General Clearing Member* intends to use for the *Trading Client admitted to Italian Markets* who uses its services;
  - with respect only to the *Equity Derivatives Section*, whether or not it intends to deposit shares to cover the positions of the *Trading Client admitted to Italian Markets*.
3. The information indicated at paragraph 1, letters a) and d), and paragraph 2, first subsection, must be forwarded, in original, by means of registered letter with return receipt or by courier, and sent in advance by email.
4. The information indicated at paragraph 1(b), first subsection, 1(c) and paragraph 2, second and following subsections, must be forwarded electronically, using the forms available through the *Euronext Clearing* Internet site ([www.euronext.com/it/post-trade/euronext-clearing](http://www.euronext.com/it/post-trade/euronext-clearing)).
5. The receipt by *Euronext Clearing* of the complete documentation indicated above is a condition for the examination of the Request for Services.

6. The provisions of the preceding paragraphs shall also apply in cases where legal persons who are already *Trading Clients* admitted to Italian Markets of the *System* intend to join a further *Section* in the same capacity or request the separation of operations of one of their *Organisational Units*.
7. The referents indicated by the *General Clearing Member* pursuant to paragraph 2, second subsection, are understood as entitled to receive all individual communications (of an operational character) from *Euronext Clearing* to the *Member* itself.
8. The *General Clearing Member* shall promptly notify *Euronext Clearing* the confirmation of the signature of the contract entered into pursuant to Article B.2.3.1-bis with a *Trading Client admitted to Euronext Legacy Markets*.

### **Article B.1.1.3 Notifications upon membership**

1. Upon attaining membership, *Euronext Clearing* shall notify:
  - a) the *Member* of acceptance of the Request for Services, with an indication of the day from which the service shall be provided to the *Member*. In the case of *Trading Clients, admitted to Italian Markets* notification is also provided to the *General Clearing Member* whose services it uses;
  - b) the *Member* of the access code for the System. In the case of a *Trading Client, admitted to Italian Markets*, the *General Clearing Member* whose services it uses shall also be notified of the code.
  - c) the *Member* and *Guarantor* of acceptance of any guarantee pursuant to Article B.1.1.1, and Article B.2.1.2 paragraph 4, of the *Regulations*.

### **Article B.1.1.4 Maintenance of membership requirements and Members' obligations**

1. *Members* must forward updates of the membership information indicated in Annex B.114 and/or B.114bis to *Euronext Clearing* at

the times and under the circumstances provided for therein, using the forms provided by *Euronext Clearing* available through the *Euronext Clearing* Internet site ([www.euronext.com/it/post-trade/euronext-clearing](http://www.euronext.com/it/post-trade/euronext-clearing)).

2. Any amendment of settlement accounts relating to positions in the *Equity Derivatives Section*, concerning *Trading Clients*, and of settlement accounts relating to positions in the *ICSD Bond Section* must be notified electronically to the *Clearing Member* using the forms available through the *Euronext Clearing* Internet site ([www.euronext.com/it/post-trade/euronext-clearing](http://www.euronext.com/it/post-trade/euronext-clearing)), at least 5 *Euronext Clearing open days* using the new accounts.
3. Any change in the appointments of Referents and Delegates with management powers exercisable in non-electronic form must be notified by the same methods as used in the application phase, and shall have effect, unless agreed otherwise, from the second *Euronext Clearing open day* after that in which the notice is received by *Euronext Clearing*, or on a subsequent date indicated by the *Member* in said notification.
4. *Members* are obliged to notify *Euronext Clearing*, of any failure to maintain membership requirements within the same day in which the said failure has occurred, or has been verified, in order for *Euronext Clearing* to promptly undertake the consequent measures provided for by the *Regulations*. The notification shall be made by registered letter with return receipt, advanced via email.
5. For entities based in the United Kingdom, which are *Members* of the *System*, or that intend to apply for membership to the *System*, the conditions and requirements laid down in Article B.2.1.1 paragraph 3 and Article B.2.1.2, paragraphs 12 and 13 of the *Rules* shall be considered met until the 30<sup>th</sup> of June 2025.

#### **Article B.1.1.5 Supervisory Capital Guarantee**

1. Pursuant to Article B.2.1.2 paragraph 5 of the *Regulations*, *Euronext Clearing* shall notify the *Member* of the date in which the guaranteed agreement has been concluded and shall therefore have effect.

2. The guarantee pursuant to Article B.2.1.2, paragraph 4 of the *Regulations*, must be forwarded by the *Guarantor*, using the contractual forms available through the *Euronext Clearing's* website.
3. The supplementary deeds of the guarantee shall have effect from the moment in which *Euronext Clearing*, upon verification of their validity, notifies the *Member* and the *Guarantor* of their acceptance.
4. Any withdrawal from the guarantee indicated in the preceding paragraphs must be communicated by registered letter with return receipt, sent in advance via email, with prior notice of at least 90 calendar days.
5. *Euronext Clearing* shall notify the *Guarantor* if it is informed that the *Member's Supervisory Capital* has fallen below the necessary minimum limit for the deposit of the guarantee indicated at Article B.2.1.2, paragraph 4 of the *Regulations*. In such a case, the withdrawal indicated at paragraph 4 may be exercised with a shortened notice period, although not less than 10 calendar days.

#### **Article B.1.1.6 Relations with the Settlement Agent**

1. In respect to BITA Sections, without prejudice to Article B.2.1.2, paragraphs 8 and 9 of the *Regulations*, *Clearing Members* may limit the responsibilities of the *Settlement Agent* to one or more *Sections* of which it is a member and/or to one or more *Trading Clients* and/or *Clients* for which it operates, reserving the right to act directly in relation to the remaining activities.
2. The *Settlement Agent* may withdraw from the agreement indicated at the contractual form available through the *Euronext Clearing's* website, by giving at least ten *Euronext Clearing* open days' notice to the *Clearing Member*. On the day in which the said notification is received, the *Clearing Member* shall forward notice of the said withdrawal to *Euronext Clearing* via email, confirmed by registered letter with return receipt.
3. If the *Clearing Member* intends to grant or withdraw a mandate to a *Settlement Agent*, it must forward the following information/documentation to *Euronext Clearing*, by the fifth

*Euronext Clearing* open day preceding that in which it wishes the amendment to take effect:

- a) an appropriate communication of the change, to be sent electronically using the firms available through the *Euronext Clearing* Internet site ([www.euronext.com/it/post-trade/euronext-clearing](http://www.euronext.com/it/post-trade/euronext-clearing)).
  - b) any new agreement signed with the *Settlement Agent*, compiled in accordance with the outline provided at the contractual form available through the *Euronext Clearing's* website. The agreement must be forwarded, in original, by registered post with return receipt or by courier, and sent in advance via email.
4. If the amendment indicated at paragraphs 2 and 3 gives rise to the termination of an existing agreement, the communications forwarded by the *Clearing Member* shall be understood as also made on behalf of the relevant *Settlement Agent* and shall have the effect of abrogating the said agreement.
  5. *Euronext Clearing* shall notify the *Member* and the *Settlement Agent* of the date from which the requested change shall enter into force, confirming, where possible, the date indicated in the communication.
  6. *The Clearing Member* shall be suspended from the *System* or from the *Section* if – due to problems in the implementation of the changes provided for in paragraph 2 and 3 – it is not possible to promptly ensure the correct execution of its obligations.
  7. During the period of notice indicated at paragraphs 2 and 3 the *Settlement Agent* continues to fulfil the *Clearing Member's* obligations. The period of notice of withdrawal established in preceding paragraphs may be reduced by agreement between the *Settlement Agent*, the *Clearing Member* and *Euronext Clearing*.
  8. If a *Settlement Agent* for cash intends to activate the *Disagreement Procedure* to revoke one or more payment instructions, they must immediately contact *Euronext Clearing* and the *Clearing Member* concerned and, prior telephone notification, forward to *Euronext Clearing* via *ICWS* or, in the event of its malfunction, via e-mail or fax, the form set out at Annex B.116A, under the terms indicated therein, signed by the legal representative or person vested with the necessary powers. The



*Settlement Agent* must concomitantly send a copy of the notification to the *Clearing Member* concerned.

9. In respect to BITA Sections If the *Settlement Agent* for cash intends to trigger the *Disagreement Procedure* in order not to allow any charging of the amounts stated in the request for additional intraday *Margins* in financial instruments referred to in Article B.3.1.2(2) of the *Instructions*, the *Settlement Agent* for cash must immediately contact *Euronext Clearing* and the *Clearing Member* concerned and, after giving telephone notice, transmit to *Euronext Clearing* via ICWS or, in case of its malfunctioning, e-mail or by fax, the form referred to in Annex B.116C within the time limits stated in the request, signed by the legal representative or a duly empowered person. A copy of the notice must be sent at the same time by the *Settlement Agent* for cash to the *Clearing Member* concerned. In case the financial instruments deposited by the *Clearing Member* are unsuitable or insufficient, the *Settlement Agent* for cash cannot activate the *Disagreement Procedure* with regard to charging of the amounts to be supplied in cash referred to in Article B.3.1.2, paragraph 2, point c) after the term within which the Member should have deposited the financial instruments.
10. In order to enable *Euronext Clearing* to manage the *Disagreement Procedure* indicated at paragraph 8, the *Settlement Agent* must ensure that *Euronext Clearing* receives, in original, a specimen signature of persons authorized to sign the communication set out at Annex B.116A, using the form set out at Annex B.116B, at the time the Agreement is signed with the *Clearing Member*, and subsequently in the event of any change of authorized persons. If no specimen is provided, *Euronext Clearing* shall not act on the request to revoke debits provided by the *Disagreement Procedure*.
11. The *Disagreement Procedure* shall not be activated to revoke payment instructions submitted on segregated *DCA RTGS*.
12. In case of impossibility of fulfilment, including outside the period of notice, and subject to the provisions of paragraphs 8 and 10, the *Settlement Agent* shall immediately notify *Euronext Clearing*.
13. *Euronext Clearing* shall acknowledge the notification received pursuant paragraphs 8 and 12 and of any insufficiency of the *DCA RTGS* pursuant to paragraph 11, without any obligation to verify its grounds, propriety or the reasons and shall adopt the consequent measures according to the provisions of the *Regulations*.



14. When the *Clearing Member* intends to use several *Settlement Agents* for *Margins* of different *Sections*, the *Member* must separate these operations by attributing them to a specific *Organisational Unit*.
15. In respect to Sections of the System other than Euronext Equity Section, When the *Clearing Member* avails itself of a *Settlement Agent* with the *Settlement Services* the same may appoint a different *Settlement Agent* for each *Section* and different *Settlement Agents* for different *Trading Clients*, compatibly with the limits of the *Settlement Services*. For the BITA Share, BITA Bond Sections and BITA Equity Derivatives the *Clearing Member* has to request to the *Settlement Agent* to join the *Presettlement Service* on his behalf, pursuant to in Article B.11.1.1.

#### **Article B.1.1.6-bis Relations with the Settlement Agent in respect to Euronext Equity Section and Euronext Derivatives Section**

1. In respect to Euronext Sections, a *Clearing Member* is entitled to use the services of *Settlement Agents* for the fulfilment of the obligations specified within Article B.2.1.2, paragraphs 8 and 9 of the *Regulations*.
2. The *Clearing Member* shall define the mandate to each *Settlement Agent* and, in doing so, the former may limit the functions of the latter, reserving the right to act directly in relation to the remaining activities. The *Clearing Member* may also separately entrust one or several *Settlement Agent(s)*, in compliance with the following provisions:
  - a. per *Delivery Account* for the purpose of final settlement of *Positions* in the relevant eligible *Settlement Service*, as defined in Article B.13.1.1. Bis of these Instructions, and/or;
  - b. per *Collateral Account* for the purpose of cash payments (i.e. cash payments to cover *Margins* liabilities, cash payments to *Default Fund* and all contractually provided charges) and/or;
  - c. per *Collateral Account* for the purpose of *Financial Instruments* transferred as *Collateral* and any related cash payments in the eligible *Central Depository*, as defined in Article B.12.1.1. Bis of these Instructions.

3. The Clearing Member shall enter into an agreement with the *Settlement Agent*, guaranteeing that said agreement complies with the principles included within paragraphs 7 to 13 of this Article. To that end, the *Clearing Member* shall sign and forward to the CCP a declaration of compliance, based on a specific template provided by Euronext Clearing. Euronext Clearing makes the template available upon request of the Clearing Member.
4. Further to the documentation specified in paragraph 3, the Clearing Member shall also forward to the CCP the form, provided for in Annex B.111A-bis, as well as the relevant power of attorney, pursuant to the manner set forth in Annex B.117-bis, enabling the CCP to directly instruct the Settlement Agent's accounts. The *Clearing Member* shall forward the documentation by certified e-mail at the following address [membership@pec.ccg.it](mailto:membership@pec.ccg.it), or by e-mail and subsequent registered letter with return receipt.
5. Following receipt of the signed declaration of compliance and the documentation mentioned in paragraph 4, *Euronext Clearing* shall confirm to the *Clearing Member* the date on which said agreement shall take effect. The *Clearing Member* shall inform the *Settlement Agent* about such date.
6. Amendments to the mandates awarded pursuant paragraph 2 shall be notified to *Euronext Clearing* pursuant the fashion described in paragraph 4. Paragraph 5 applies.
7. Within the agreement, exception made for the case of paragraph 14, the *Clearing Member* shall undertake to provide the Settlement Agent with the means necessary for the fulfilment of its obligations, while the Settlement Agent shall, where applicable, guarantee it will maintain sufficient funds in its RTGS Dedicated Cash Account in T2 System, or in case of currencies other than euro, in the relevant designated cash account, as applicable, to fulfil the obligations deriving from participation within the System by the Clearing Member.
8. The agreement shall empower the *Clearing Member* to exercise withdrawal by giving at least five *Euronext Clearing open days'* notice to the *Settlement Agent*. Also, the agreement shall empower the *Settlement Agent* to exercise withdrawal by giving at least ten *Euronext Clearing open days'* notice to the *Clearing*

*Member*. The periods may be reduced by agreement between the *Settlement Agent*, the *Clearing Member* and *Euronext Clearing*. It remains understood that during the notice period, the *Settlement Agent* shall remain bound for the obligations pertaining to the *Clearing Member* on which it has been entrusted. The *Clearing Member* shall immediately notify Euronext Clearing of the said withdrawal, both relating to the *Clearing Member* and to the *Settlement Agent*, by certified e-mail at the following address [membership@pec.ccg.it](mailto:membership@pec.ccg.it), or by e-mail and subsequent registered letter, with return receipt.

9. Outside of the cases of paragraph 8, the agreement shall be automatically terminated in all cases in which for any reason, including withdrawal and exclusion, membership to the Section currently subject to the mandate ceases. Termination shall also automatically apply in cases of default of the *Settlement Agent*. The *Clearing Member* shall immediately notify Euronext Clearing such event.
10. Termination shall also apply in case the *Clearing Member* does not provide the *Settlement Agent* with the means necessary for the fulfilment of its obligations, and the *Settlement Agent* considers that it can no longer fulfil its mandate. In this case, the *Settlement Agent* shall immediately notify the CCP, within the fashion set forth in Annex B.116A-bis. Following receipt of the e-mail referenced in said Annex, the agreement shall be immediately terminated. Euronext Clearing shall take note of the notification, without any obligation to verify its legitimacy and correctness adopting the consequent measure according to the Euronext Clearing Regulations and/or the Instructions.
11. In case of cessation of effect of the agreement with the *Settlement Agent*, Article B.2.2.2, paragraph 1, letter b) of the Regulations shall apply. In the event of default proceedings being taken against the *Clearing Member* pursuant to Article B.6.2.1 of the Regulations, the *Settlement Agent* shall not settle the said *Member's* Positions intended to be settled after the opening of the said proceedings, notwithstanding in any case the rules governing the *Settlement Services* established by Legislative Decree no. 210 of April 12<sup>th</sup>, 2001.

12. Settlement Agents entrusted to perform cash payments as per paragraph 2, Letter b) of this Article, are entitled to activate the Disagreement Procedure regulated in Article B.1.1.6. Article B.1.1.6, paragraphs 8 to 11, apply. The Clearing Member shall activate the Disagreement Procedure by sending an e-mail pursuant the fashion set forth in Annex B.116A-bis.
13. The Clearing Member undertakes to keep the Settlement Agent informed of relevant amendments to the Regulations, the Instructions, the General Conditions, and all other provisions that govern the System.
14. For settlement of cash denominated in NOK, in case the obligations set out in Article B.2.1.2, paragraphs 8 and 9 of the Regulations are performed by the Clearing Member indirectly through a Settlement Agent, Euronext Clearing sends the payment instructions through the Settlement Agent to the Clearing Member for the purpose of crediting the CCP's cash accounts held in Norges Bank. The obligations referred to in paragraph 7 of this Article do not apply, however the Clearing Member undertakes to maintain sufficient funds in the relevant cash accounts for the purpose of settlement and payment activities.

### **Article B.1.1.7 Delegation to the Settlement Agent**

1. *Clearing Members* may grant and revoke mandates to their *Settlement Agents* for cash, powers to forward requests for cash returns/transfers, as indicated at Article B.3.3.1, paragraph 3 on their behalf, and may grant and revoke mandates to its *Settlement Agent* for the *Collateral in Financial Instruments* to forward requests for cash returns/transfers, as indicated at Article B.3.3.2, paragraph 6, and Article B.3.3.3, paragraph 8. *Clearing Members* active on the *Euronext Equity Section*, may grant and revoke to the *Settlement Agent* appointed pursuant to Article B.1.1.6 bis, the mandate to instruct the requests referenced in Article B.3.3.1 bis and Article B.3.3.2 bis.
2. Where applicable, the mandates indicated at paragraph 1 are issued according to the methods indicated in the outline agreement with the *Settlement Agent* provided at the contractual form

available through the *Euronext Clearing's* website. Revocations of mandates are made by the same methods.

3. When the *Clearing Member* has delegated a *Settlement Agent* to forward the requests for transfer/return of cash and/or the *Financial Instruments*, the *Member* must request that the *Settlement Agent* activate *ICWS* to execute said transactions for BITA Sections and the relevant *Technology Infrastructure* for *Euronext Equity and Euronext Derivatives Section*.

## **Heading B.1.2 Relations between General Clearing Members and Trading Clients**

### **Article B.1.2.1 Agreements between General Clearing Members and the Trading Clients**

1. The agreement between the *General Clearing Member* and the *Trading Client admitted to Italian Markets* indicated at Article B.2.3.1 of the *Regulations*, to be forwarded to *Euronext Clearing*, must conform to the outline provided at the contractual form available through the *Euronext Clearing's* website. The signature of the agreement between *General Clearing Member* and *Trading Client admitted to Euronext Legacy Markets pursuant to Article B.2.3.1-bis* shall be notified by the *General Clearing Member* to *Euronext Clearing*.
2. In the event that the *General Clearing Member* or the *Trading Client admitted to Italian Markets* intends to withdraw from the agreement entered into with the other party, it must forward a notice of withdrawal to *Euronext Clearing* and the other party by the fifteenth calendar day before the day it wishes the withdrawal to have effect. The said notification to *Euronext Clearing* – to be made by registered letter with return receipt, sent in advance via email, is understood as made also on behalf of the other party. The period of notice may be reduced by mutual consent of the *Members* concerned and with the written approval of *Euronext Clearing*; otherwise, failure to comply shall render the relevant communication ineffective for *Euronext Clearing*.
3. In the cases indicated at paragraph 2, the *Trading Client admitted to Italian Markets* must, in real time, apply to *Euronext Clearing*, for membership of the *Section* as a *Clearing Member* (where permitted by the *Regulations*) or forward a new agreement with another *General Clearing Member* to *Euronext Clearing*, compiled according to the provisions of paragraph 1, or otherwise being suspended. *Euronext Clearing* shall indicate the moment from which the *Member's* new arrangement shall have effect.
4. During the period of notice indicated at paragraph 2, and up to the moment at which the withdrawal becomes effective, the replacement mechanism indicated at Article B.1.1.1, paragraph 1 of the *Regulations* shall continue to be effective.

### **Article B.1.2.2 Suspension of Trading Clients admitted to Italian Markets and request to halt registration of Positions for Trading Clients admitted to Euronext Legacy Markets**

1. Any request for suspension of the *Trading Client admitted to Italian Markets* from membership pursuant to Article B.2.3.3 of the *Regulations*:
  - a. For the *Cash Sections* must be made in the manner indicated in Annex B.122 and using the form indicated in Annex B.122A. The request for the suspension may be forwarded exclusively by persons, so authorised and communicated by the *Clearing Member* using the form in Annex B.122B;
  - b. For the *Derivatives Sections* the request may be forwarded through the *Technological Infrastructure*, or in the manner described above in paragraph (a).
2. Pursuant to Article B.2.3.3-bis of the *Regulations*, the *Clearing Members* shall instruct the request to halt the registration of *Positions* pertaining to a *Trading Client* admitted to *Euronext Legacy Markets* in the manner indicated in Annex B.122-bis and using the form indicated in Annex B.122A-bis. Said request, and revocation thereof, may be forwarded exclusively by the persons, so authorised and communicated by the *Clearing Member* using the form in Annex B.122B-bis.

### **Article B.1.2.3 Mandates to Trading Clients**

1. The *Trading Client*, according to each case, and by the methods indicated in the Articles cited hereunder, carries out the following functions on behalf of the *General Clearing Member* through a mandate with respect to deposits in the accounts indicated at Article B.3.0.1 paragraph 3, of the *Regulations* and in any existing sub-account:
  - a) adjustment of the reporting of the opening codes and closing codes of the *Positions* in options and futures in "client" accounts, as indicated at Article B.2.1.1;
  - b) transfer of *Positions* relating the *Share Section* as indicated at Article B.2.1.4;



- c) early exercises and exercises at maturity as indicated at Article B.6.1.1. and Article B.6.1.2.
2. *General Clearing Members* may delegate (according to the relevant agreement specified under Article B.2.3.1 or B.2.3.1-*bis*) to *Trading Clients* that use its services - by the methods indicated in the Articles indicated hereunder - the following set of functions relating to entries into the accounts indicated at Article B.3.0.1 paragraph 3, of the *Regulations* and in any existing sub-account:
- a) adjustment of *Positions* in "client" account, as indicated at Article B.2.1.2;
  - b) transfer of *Positions* of the *Derivatives Sections*, as indicated at Article B.2.1.3;
  - c) allocation of deposited shares, as indicated at Article B.3.3.6;
  - d) opening and management of sub-accounts, indicated at Article B.2.1.7.
3. The communications through which the functions indicated at paragraphs 1 and 2, forwarded to *Trading Clients*, shall be understood as made by the *General Clearing Member*.
4. *General Clearing Members* may also *Trading Clients* who use their services to consult the *Reports* and Data Files indicated in the *Technical Manual* relating to the operations of the *Trading Client*.
5. The mandate indicated at paragraph 1 and the authorization indicated at paragraph 4 are issued and communicated to *Euronext Clearing* according to the methods indicated in the outline, available through the *Euronext Clearing's* website. They are also revoked by the same methods.

### **Article B.1.2.3-bis Mandates to Trading Clients admitted to Euronext Legacy Markets**

1. For the *Euronext Sections*, the *General Clearing Member* may delegate, through means of a form made available by Euronext Clearing to its *Trading Client* admitted on Euronext legacy Markets the exercise of the following set of functions:



- a) Request of netting of positions for accounts kept on a gross basis as provided for in Article B.2.1.1bis, paragraph 9;
  - b) Corrections of posting indication and indications of opening/close code pursuant to Article B.2.1.1bis paragraph 10
  - c) Manual Give up requests pursuant to Article B.2.1.3bis
  - d) Manual Take up acceptance or refusal pursuant to Article B.2.1.3bis ;
  - e) Request for Position transfer pursuant to Article B.2.1.3bis, paragraph 4;
  - f) Request for early exercise of options pursuant to Article B.6.1.1bis;
  - g) Request for Exercise/abandonment of options pursuant to Article B.6.1.2-bis
2. The functions are exercised by the delegated Trading Client admitted to Euronext Legacy Markets through the Technological Infrastructure and are understood as made by the General Clearing Member.
  3. General Clearing Members may also authorize Trading Clients admitted to Euronext Legacy Markets who use their services to access the Reports and Data Files made available through the Technological Infrastructure.
  4. The mandate indicated at paragraph 1 and the authorization indicated at paragraph 3 are issued in line with the *Mandatory CCP Provisions*, available through the *Euronext Clearing's* website, and they are also revoked by the same methods.

## CHAPTER B.2 Clearing

### ***Heading B.2.1 Registration of Positions***

#### **Article B.2.1.0 Registration of Positions for the Euronext Equity Section**

*[Provisions applicable to the Euronext Equity Section]*

1. Without prejudice to Article B.3.1.3 of the *Regulations*, *Positions* are registered within a *Position Account* on a gross basis, and aggregated in two net values, resulting in a net buying position and a net selling position.
2. In line with Article B.3.1.2, paragraph 3 of the *Regulations*, *Positions* related to the activity of *Liquidity Provider* performed by the *Clearing Member*, or by its *Trading Client*, admitted on a *Market*, are registered by *Euronext Clearing* in dedicated *Liquidity Provider Position Accounts*.
3. The *Position Accounts* referenced in paragraph 2 are opened upon the request of the *Clearing Member*. The *Clearing Member* certifies the existence of relevant agreement with the *Management Company* or, in respect of its *Trading Client*, the agreement between the latter and the *Management Company*.
4. *Positions* related to contracts, which are denominated in a currency other than EURO, are registered in the *Position Accounts*, in the currency of the contract, pursuant the criteria embedded in Article B.2.1.0 bis.
5. *Positions* related to Financial Instruments, traded on *SME Growth Markets*, are not subject to aggregation with *Positions* related to the same *Financial Instrument*, which were traded on *Markets* other than *SME Growth Market*.

## **Article B.2.1.0-bis Posting rules and transfer of Positions for the Euronext Equity Section**

*[Provisions applicable to the Euronext Equity Section]*

1. Upon CCP interposition, *Euronext Clearing* registers *Positions* into *Position Accounts* pursuant the following posting rules.
- 2.-Pursuant to automatic posting rule, whereby *Positions* are registered by the CCP based on the valid information received from the relevant *Market*, as instructed by the *Clearing Member* admitted to trading or its *Trading Client* at the moment of submission of the trade order on said *Market*.
3. Pursuant to systematic posting rule, whereby *Positions* are registered by the CCP based on the posting choices communicated by the *Clearing Member* to *Euronext Clearing* pursuant to Article B.1.1.1 *bis* of the *Instructions*, at the *onboarding stage*. Systematic posting is applied in case no automatic posting choice is performed by the *Clearing Member* admitted to trading or its *Trading Client*.
4. If a *Positions* cannot be registered according to the above-mentioned respective posting rules, *Euronext Clearing* registers the unallocated *Positions* in a dedicated default *Position Account*, predetermined by the *Clearing Member*, at the *onboarding stage*. Not later than the day in which the contract is concluded on the *Market*, the *Clearing Member* may request, the transfer of the relevant *Positions* to another relevant *Position Account*.
5. The *Clearing Member* shall instruct the request mentioned in paragraph 4, through the *Technological Infrastructure*, or, in case of its malfunctioning, through the fashion set forth in Annex B.210A.

### **Article B.2.1.1 Reporting and correcting of the opening and closing of options and futures positions on third party accounts.**

*[Provisions applicable to the BITA Derivatives Sections]*

1. The *Member*, at the time of the trading of an option or future contract on third party accounts, shall indicate to the *System*, through the *Trading System*, if the said trade opens a new *Position* (opening code), or if it closes an existing *Position* (closing code).
2. In the absence of an indication, the *System* shall register the contract in "open".
3. Where there is a "closing" report for a number of contracts greater than that of *Positions* open in opposing positions on the same *Series*, the *System* shall enter as "open" all the contracts that form part of the said report, notifying the *Member* of this registration through the *BCS*.
4. Corrections to reports of the opening and closing code may be made on the same day by sending new *Transfer Orders* by the deadlines established at letter A) of Annex B.211 through the *BCS*. Requests for transfer received after this deadline are not carried out.
5. In the event of malfunction of the *BCS*, the correction indicated at paragraph 4 may be carried out by forwarding via *ICWS* or, in the event of its malfunction by fax the form provided at Annex B.211A by the same deadline. Requests for correction received after this deadline are not carried out.
6. *Euronext Clearing* nets *Positions* with the same characteristics in the *Specialist Sub-account* and in the other sub-accounts of the "client" account – for which the *Member* requests the "net" maintenance of the *Positions*, pursuant to Article B.2.1.7, paragraph 3, letter a) - independently of the opening or closing codes indicated at paragraph 1 (net registration of positions).

### **Article B.2.1.1bis Registration of Positions for the Euronext Derivatives Sections**

*[Provisions applicable to the Euronext Equity Derivatives and Commodity Derivatives Sections]*

1. Without prejudice to Article B.3.1.3 of the *Regulations*, *Positions* related to *Derivatives Financial Instruments* are registered

pursuant to the posting rules referenced in Article B.2.1.0bis, paragraphs 2, 3 and 4 and are kept:

- a) within a *House Position Account*, by default on a gross basis;
  - b) within a *House or Client Market Maker Position Account* by default on a net basis;
  - c) within a *Client Position Account*, by default on a gross basis
2. The following exemptions may be granted by the CCP upon request of the *Clearing Member*:
- a) As an exception to letter a) of paragraph 1, within a *House Position Account*, *Positions* related to *Derivatives Financial Instruments* negotiated on *Euronext Derivatives Amsterdam* are by default kept on a net basis within a dedicated *House Position Account*;
  - b) As an exception to letter a) of paragraph 1, within a *House Position Account*, *Positions* related to *Derivatives Financial Instruments negotiated* on *Euronext Derivatives Paris* or *Euronext Derivatives Brussels* may be kept on a net basis, if pertaining exclusively to a *Clearing Member's* dealing activity;
  - c) As an exception to letter c) of paragraph 1, within a *Client Position Account*, *Positions* related to *Derivatives Financial Instruments* negotiated on *Euronext Derivatives Paris* or *Euronext Derivatives Brussels* may be kept on a net basis, if related exclusively to a single identified *Client*, or *Indirect Client*.
3. The CCP shall grant the exceptions referred to in paragraph 2, letters b) and c) conditioned upon the demonstration by the *Clearing Member* of the existence of the conditions referenced therein, through the account structure forms indicated in Annex B.111A-bis.
4. In line with Article B.3.1.2, paragraph 3 of the *Regulations*, *Positions* related to the activity of *Market Maker* performed by the *Clearing Member*, or by its *Trading Client*, admitted on a *Market*, are registered by *Euronext Clearing* in dedicated *Market Maker Position Accounts*.

5. The *Market Maker Position Accounts* referenced in paragraph 4 are opened upon the request of the *Clearing Member*. The *Clearing Member* certifies the existence of relevant agreement with the *Management Company* or, in respect of its *Trading Client*, the agreement between the latter and the *Management Company*.
6. When *Positions* are kept on a gross basis, the *Clearing Member* admitted to trading, or, where applicable, its *Trading Client* shall indicate at the moment of submission of a trade order on the *Market*, whether the contract opens (opening code), or closes (closing code) a *Position*.
7. In absence of indication of the contract's code, the *System* shall register it with an opening code.
8. Where the number of contracts with closing code is greater than that of existing *Positions* with opposite sign on the same *Series*, the *System* shall close any existing opposite *Position* to the extent possible and register the remaining *Positions* with opening code.
9. The *Clearing Member*, or its *Trading Client* may request either a partial or total netting of opposite *Positions* belonging to the same *Series* through the Technological Infrastructure.
10. Before expiry, corrections of the posting or of the opening and closing code assigned may be made on the same day and up to 10 days after trade registration, by sending new *Transfer Orders* by the deadlines established in Annex B.211bis through the *Technological Infrastructure*. Corrections are excluded for *Market Maker Position Accounts*.
11. *Positions* are registered and updated by the CCP in the *Position Accounts* in real time, following registration or other relevant events.

### **Article B.2.1.1-ter Registration of Positions for the Euronext Commodity Derivatives Section**

*[Provisions applicable to the Euronext Commodity Derivatives Section]*

1. Pursuant to Article B.3.1.2, paragraph 4 of the Regulations, *Positions* related to the *Euronext Commodity Derivatives Section* are registered within dedicated *Position Accounts*, pursuant the

posting rules referenced in Article B.2.1.1bis, paragraph 1. Article B.2.1.1bis applies.

### **Article B.2.1.2 Change of Positions in “client” account for BITA Derivatives Sections**

1. Changes in *Positions* in “client” accounts (which in any case cannot modify the overall net *Position*) may be requested from the *Member* by sending the new *Transfer Orders*, in the *Market* trading days following that of the trade, by the timelines established by letter B) of Annex B.211, through the *BCS* or, in the event of its malfunction, by forwarding the forms provided at Annex B.212 to *Euronext Clearing* via *ICWS* or, in the event of its malfunction, via e-mail or fax. Requests for changes received after these deadlines are not carried out.
2. The requests indicated at paragraph 1 relating to *Positions* registered in the *Client Position Accounts* indicated at Article B.3.1.2, of the *Regulations* and in any existing sub-account, may be forwarded:
  - a) by the *General Clearing Member* or,
  - b) by the *Trading Client* duly mandated pursuant to Article B.1.2.3, paragraph 2.

### **Article B.2.1.3 Transfer of Positions of the BITA Derivatives Sections**

1. The *Clearing Member*, may request with the consent of the transferee and with effect on the accounts and the existing sub-accounts, the transfer to another *Member*:
  - a) at the trading price of all (or part of) the positions relating to contracts entered into on the same day as the transfer request (“international give-up”);
  - b) at the trading price of all (or part of) the positions relating to contracts stipulated on the ten stock exchange trading days before that in which the transfer is requested, subject to provisions of paragraph 9;



- c) of positions:
- in futures, at the daily settlement price of the trading session before that of the execution of the transfer;
  - in options, at zero price.
2. The *Clearing Member* may request the transfer between his own accounts and/or sub-accounts:
- a) at the trading price of all (or part of) the positions relating to contracts stipulated on the same day in which the transfer is requested;
  - b) at the trading price of all (or part of) the positions relating to contracts stipulated on the ten stock exchange trading days before that in which the transfer is requested, subject to provisions of paragraph 9;
- c) of positions:
- in futures, at the daily settlement price of the trading session before that of the execution of the transfer;
  - in options, at zero price.
3. The *Transfer Orders* indicated at paragraphs 1 and 2 must be forwarded through the *BCS* within the timetable set out in letter C) of Annex B.211 and of Annex B.621.
4. In the event of malfunction of the *BCS* the said *Transfer Orders* may be forwarded to *Euronext Clearing* via *ICWS* or, in the event of its malfunction, by fax, using the forms provided:
- a) Annexes B.213B, B.213B1 and B.213B2, related respectively to the *Equity Derivatives Section*, the *Energy Derivatives Section* and the *Agricultural Commodity Derivatives Section*, for the *Transfer Orders* indicated at paragraph 1, letters a) and b) and at paragraph 2, letters a) and b);
  - b) Annexes B.213A, B.213A1 and B.213A2, related respectively to the *Equity Derivatives Section*, the *Energy Derivatives Section* and the *Agricultural Commodity*

*Derivatives Section*, for the *Transfer Orders* indicated at paragraph 1, letter c) and at paragraph 2, letter c).

5. The transfer of *Positions* in options and matured “futures” to be settled with the consignment of underlying assets, may be carried out only with the approval of *Euronext Clearing* and by the methods that the latter indicates from time to time.
6. Requests indicated at paragraphs 1 and 2, relating to *Positions* of a *Trading Client* may be forwarded:
  - a) by the *General Clearing Member* or,
  - b) by the *Trading Client* duly mandated pursuant to Article B.1.2.3, paragraph 2.
7. The transfer request indicated at paragraph 1, letter b) and paragraph 2, letter b):
  - a) is not permitted:
    - on the day following *Cascading* days for *Positions* relating to energy futures contracts with quarterly or annual delivery periods;
    - on the first business day of the month for *Positions* relating to energy futures contract with monthly delivery periods;
  - b) is limited to *Positions* (or part thereof) relating to contracts stipulated on the day before that of the transfer request, if the request is made:
    - on the second day following days of *Cascading* and concerns *Positions* for energy futures contracts with quarterly or annual delivery periods;
    - on the second business day of the month and concerns *Positions* relating to energy futures contracts with monthly delivery periods.

## Article B.2.1.3-bis Give-ups and Transfer of Positions of the *Euronext Derivatives Sections*

*[Provisions applicable to the Euronext Equity and Commodity Derivatives Section]*

1. The *Clearing Member* (allocator) may request, with effect of a *Transfer Order*, the transfer of gross *Positions* registered in its *Position Accounts* (Give-up) to the *Position Accounts* of another *Clearing Member* (allocatée), conditioned upon consent of the latter. Give up is eligible only for gross *Positions* negotiated on the same day. Give ups are excluded for *Market Maker Accounts*.
2. The *Clearing Member*, can exercise the following types of give-up:
  - manual Give-Up, whereby the transfer is instructed by the allocator *Clearing Member* and accepted by the allocatée *Clearing Member*, through the *Technological Infrastructure*;
  - systematic give-up, whereby, the transfer from the allocator *Clearing Member* to the allocatée *Clearing Member* is automatically processed within the *System*, provided that the express consent of the allocatée *Clearing Member* has been granted through the account structure forms referenced in Annex B.111Abis ;
  - Automatic give-up, whereby the transfer request is based on the information received from the relevant *Market*, as instructed by the *Clearing Member* admitted to trading or, where applicable, its *Trading Client*, at the moment of submission of the trade order on said *Market* and accepted by the allocatée *Clearing Member* through the *Technological Infrastructure*.
3. If the give-up request is not accepted by the allocatée *Clearing Member*, the *Position* is registered within the *Clearing Member's* original *Position Account*.
4. The *Clearing Member*, may request, with effect of a *Transfer Order*, the transfer of *Positions* (fully or partially) registered within its *House* or *Client Position Account*, until the day of expiry of the *Position*, through the *Technological Infrastructure*. Transfer of *Positions* from and to a *Market Maker Position Account* remains excluded, exception made for transfer of *Market Maker Position Account* pertaining to a *Trading Client*, which is conditioned upon

the specific approval of the relevant Management Company. Euronext Clearing shall receive evidence of the approval prior to validating the transfer.

5. Transfer of Positions is either internal, taking place between the Positions Accounts of a single Clearing Member, or external, taking place between the Position Accounts of two distinct Clearing Members. In both cases, the transfer shall be performed without prejudice to the segregation principles for *Position Accounts* and *Margin Accounts* referenced in Article B.3.0.1 and Article B.4.0.1. of the Regulations.
6. Concerning the requests mentioned in paragraphs 4, the transfer is performed for *Positions* in:
  - Futures, at the daily settlement price of the trading session before that of the execution of the transfer (T-1 DSP);
  - Options, at zero price.
7. Transfer requests may be exercised by *Trading Client admitted to Euronext Legacy Markets*, if delegated by the *Clearing Member* pursuant to Article B.1.2.3-bis.

#### **Article B.2.1.4 Transfer of Positions relating to the Cash Sections**

1. The transfer request of *Positions* relating to the *BITA Share* and *Bond Sections* are carried out by the *Clearing Member* through the *Pre-settlement Service* pursuant to article B.11.1.1, by and not later than the day in which the contract is concluded on the *Trading System*.

#### **Article B.2.1.5 Clearing of Positions in “futures” for BITA Derivatives Sections.**

1. The clearing between *Positions* in futures of the *Share Derivatives Section* relating to the same Stock Market index (FTSE MIB) registered in the same account or sub-account, having a different index point value, an opposite sign and the same maturity, takes place in the ratio of one Future to five mini-Futures, or one Future to twenty-five Micro Futures, or one Mini Future to five Micro

- Futures, only by express application to *Euronext Clearing* by the *Clearing Member* concerned.
2. The application indicated at paragraph 1 must be forwarded to the *Clearing Member* concerned via *ICWS* or, in the event of its malfunction, by fax, using the form set out at Annex B.215.
  3. Applications forwarded to *Euronext Clearing* within the timetable set out in letter D) of Annex B.211 shall be paid on the same day; those received after the said timetable shall be treated on the following *Market* trading day.
  4. The clearing between *Positions* in futures of the *Energy Derivatives Section* relating to the same underlying and registered in the same account or sub-account, takes place only by express application to *Euronext Clearing* by the *Clearing Member* concerned. Said clearing takes place in the ratio of:
    - four quarterly Futures, which together cover the year, and the corresponding yearly Future of the opposite sign;
    - three monthly Futures, which together cover the quarter, and the corresponding quarterly Future of the opposite sign;
    - three monthly Futures and three quarterly futures, which together cover the year, and the corresponding yearly Future of the opposite sign.
  5. The application referred to in paragraph 4 above, must be forwarded by the *Clearing Member* concerned via *ICWS* or, in the event of its malfunction, by fax, using the form set out at Annex B.215B.
  6. The applications referred to in paragraph 4 above, forwarded to *Euronext Clearing* within the timetable set out in letter F) of Annex B.211, shall be paid on the same day; those received after the said timetable shall be treated on the following *Market* trading day, provided that they continue to meet the clearing conditions set out in paragraph 4.

## Article B.2.1.6 Error management

*[Provisions applicable to all sections]*

1. Pursuant to Article B.3.1.7 of the *Regulations*, the *Management Company* may ask *Euronext Clearing* to cancel or rectify trades executed on the *Market* on the same day or on previous trading days.
2. Any clearing operations performed on trades subject to error management must be cancelled. To this end, *Euronext Clearing* can operate autonomously or by asking the *Clearing Members* involved to cooperate via the *Technological Infrastructure*.
3. The effects of transactions by *Euronext Clearing* in response to applications received from the *Management Company* pursuant to Article B.3.1.7 of the *Regulations* shall be reported to *Members* concerned on the subsequent *Market* trading day by means of *Reports*.

## Article B.2.1.7 Sub-accounts for BITA Derivatives Sections

1. *Clearing Members* may request, pursuant to Article B.3.1.2, paragraph 4 of the *Regulations*:
  - a) using the form provided at Annex B.217A, to register *Positions* originating from the activity of the *Specialist* on IDEM market in a relevant sub-account of the "client omnibus" account called *Specialist Sub-account*;
  - b) using the form provided at Annex B.217B, to register *Positions* originating from the activity of the *Market Maker* on IDEM market in a relevant sub-account of the "house" account called *Market Maker Sub-account*.

The *Specialist sub-account* and the *Market Maker sub-account* may also be activated for the transactions of *Trading Clients* whose *Positions* are registered in the accounts provided for in Article B.3.1.2, paragraph 1(c), or paragraph 2, of the *Regulation*.

2. *Clearing Members* and *Non-Clearing Members* duly mandated pursuant to Article B.1.2.3, paragraph 2, letter d), may open and manage, pursuant to Article B.3.1.2, paragraph 4, of the *Regulations*, sub-accounts of "house" and "client" account, exclusively through the *BCS*.
- 
3. Without prejudice to Article B.4.1.1, paragraph 4, of the *Regulations*, for *Positions* relating to the *Agricultural Commodity Derivatives Section*, at the time of the opening of a new sub-account, or later, in the management phase, the *Member* may:
    - a) for a sub-account of the "client" account, choose the kind of maintenance, "net" or "gross", to apply to the *Positions* registered in it;
    - b) for a sub-account of the "house" or "client" account, choose the kind of Initial *Margin* calculation, "combined" or "separated", between the *Positions* registered in the sub-account and those registered in the relevant account.
  4. For the *Equity Derivatives Section*, using the form provided by *Euronext Clearing* at Annex B.217C, *Clearing Members* may request to receive, for information purpose only, the Initial *Margins* calculation "separated" for each sub-account.
  5. With reference to the *Members* acting as intermediaries for *Indirect Clearing* requesting a "gross omnibus segregated client" account under Article B.3.1.2, paragraph 3 letter b) of the *Rules*, *Euronext Clearing* proceeds with the opening of ad-hoc subaccounts to which an identification code may be assigned in order to allow the registration of *Positions* related to each Indirect Client on a gross basis.



## CHAPTER B.3 Guarantee System

### Heading B.3.1 Margins

#### Article B.3.1.1 Initial Margins

1. The *Initial Margins*, indicated in Article B.4.1.1, paragraph 2, of the *Regulations*, notified to *Clearing Members* by means of the *Reports*, shall be calculated:
  - a) on the basis of the *Equity VAR* method, for the *BITA Equity Derivatives Section*, the *BITA Share Section*, the *Euronext Equity Section* and *Euronext Equity Derivatives Section*;
  - b) on the basis of the *MVP* method, or, only in respect to Italian, Spanish, Portuguese, and Irish government bonds, on the basis of the *FIRE* method, for the *Bond Section* and for the *ICSD Bond Section*;
  - c) on the basis of the *Commodity VAR* method, for the *Euronext Commodity Derivatives Section*.
2. The general application data used by *Euronext Clearing* for the calculation of the *Margins* are made available to *Members* on the *Euronext Clearing* Internet site and are also communicated to *Members* through the *Technological Infrastructure*.
3. A request for calculation of separate *Margins* for each *Section*, indicated at Article B.4.1.1, paragraph 6, of the *Regulations*, may be made by the *Clearing Member* by forwarding the appropriate form, which is available from the *Euronext Clearing Internet site*.
4. For the *Euronext Commodity Derivatives Section*, where physical delivery is foreseen within the *Contractual Scheme*, *Initial Margins* registered in *Margin Accounts* referenced to in Article B.4.1.0, are calculated on *Positions* and *Positions in Delivery* under the following methods, as indicated within the Service Manual:
  - a. Until the second *Open Day* preceding the contract's *Expiry Day*, at portfolio level on the net *Position* held across all commodities contracts;

- b. As from the second *Open Day* preceding the contract's Expiry day until the *Expiry Day*, on the net *Position* per commodity contract across all existing expiry dates.
  - c. As from the *Expiry Day* until final settlement, on the *Position in Delivery* per commodity contract for such given expiry. (Delivery Margins).
5. In the cases of paragraph 7, the Delivery Margin is applied to Positions in Delivery of the Euronext Commodity Section, as from the contract's Expiry Day included until the final settlement of the Position in Delivery and is calculated pursuant the modalities and timings indicated in the Services Manual. In case the Clearing Members have opted for the Alternative Delivery Procedure, Delivery Margins are returned to Clearing Members on the following open day.

### **Article B.3.1.2 Additional Intraday Margins**

1. In the event of a request for additional intraday *Margins*, *Euronext Clearing*:
  - a) shall notify each *Clearing Member* of the additional amount requested pursuant to article B.4.1.3 of the *Regulations* and the debit period by an appropriate *Report* referred to in Annex B.312 and *Notice of Payment*, in accordance with Annex B.411 and B.411bis, letter A);
  - b) may also notify all *Clearing Members* of activation of the requested additional intraday *Margins* by a message pursuant to Annex B.312 forwarded through the *Technological Infrastructure*.
2. If the request for additional intraday *Margins* is made after 14:00 (2:00 pm) of a *Euronext Clearing open day*, *Euronext Clearing* will allow the *Clearing Members* that made prior request using the form in Annex B.312A to pay the additional *Margins* by depositing the financial instruments referred to in Article B.4.3.1, paragraph 1 point b) within the term set out in Annex B.411-point D).

In this case, *Euronext Clearing* shall communicate to each *Clearing Member* concerned and to the *Settlement Agent* for cash through the *Report* referred to in Annex B.312B:

- a) the additional amount required pursuant to Article B.4.3.1, paragraph 3 of the *Rules*;
- b) the term for depositing the financial instruments.

Following the deposit of the financial instruments *Euronext Clearing* verifies that they are suitable and that their amount is sufficient to cover the additional intraday *Margins*, subsequently sending notice to any relevant *Member* and also to the *Settlement Agent* for cash through the *Report* referred to in Annex B.312C:

- a) whether the financial instruments are sufficient or, if not, the amount to be covered in cash related to the additional intraday *Margins*;
- b) the term for depositing the cash due by the *Clearing Member*, in accordance with Annex B.411, point A), in case the financial instruments are not sufficient to cover the additional *Margins*.

If the financial instruments deposited pursuant to the present paragraph result fully or partially insufficient so as to cover the *Margins* due to the concentration limits or the applicable haircuts, the ownership of the financial instruments temporarily exceeding the amount of the additional *Margins* is transferred to *Euronext Clearing* pursuant to article A.1.1.5 of the *Regulation*, unless a redemption request by the relevant *Clearing Member* is received.

The *Clearing Member* may deposit no more than two of the financial instruments (ISIN) referred to in Article B.4.3.1 paragraph 1 point b), of the *Regulations* selecting them from among those recorded in the *Clearing System* and available for consultation in ICWS – BCS.

These financial instruments must be deposited in the manner set out in the paragraph on “Deposit covering initial margins” of Annex B.411 by the deadline communicated from time to time in the call for additional intraday *Margins*.

3. *Euronext Clearing* may revoke the service for the coverage of additional intraday *Margins* with financial instruments in respect of

any *Clearing Members* that deposit insufficient or unsuitable financial instruments above the thresholds set out in Annex B.312D.

4. Where necessary, *Euronext Clearing* may issue the notices pursuant to paragraph 1 by fax or e-mail.
5. The additional amount requested in cash or financial instruments must be made available respectively to the *DCA RTGS* in the *T2 System* of the *Clearing Member* or its *Settlement Agent* or in the securities accounts held at the *Central Depository Service for Financial Instruments*, as defined in Article B.13.1.1-Bis of the *Instructions* by the deadline indicated in the communications referred to in the previous paragraphs.
6. For the *Euronext Equity Section*, the payment of additional intraday Margins through deposit of *Financial Instruments* referenced in paragraph 2 is excluded.

### **Article B.3.1.3 Daily Settlement Prices**

1. The daily settlement price for *Financial Instruments* guaranteed within the *Bond Section* and the *ICSD Bond Section* is set on the basis of the prices determined by *Markets*, taking into account their level of liquidity.
2. The daily settlement price for *Financial Instruments* guaranteed within the *BITA Share Section* and *Euronext Equity Sections* is equal to the reference price calculated in accordance to the Trading Rules by the *Market* and communicated to Euronext Clearing.
3. The daily settlement price for *Financial Instruments* guaranteed within the *BITA Derivatives Section* and *Euronext Derivatives Sections* is determined by the *Market* and communicated to Euronext Clearing according to the Trading Rules of the *Market*.
4. Notwithstanding the preceding paragraphs, in the event *Euronext Clearing* considers that the daily settlement price for *Financial Instruments* of each *Section*, determined and communicated in accordance with this *Article*, is not representative of existing market conditions at the close of trading, *Euronext Clearing*, for

the purpose of calculation of *Margins*, may set a different price, taking into account the respective theoretical value of the above mentioned *Financial Instruments* or use the last available daily settlement price.

5. The *Daily Settlement Prices* are made available on the *Euronext Clearing* Internet site. The prices are also reported to *Members* through the *Technological Infrastructure*.

#### **Article B.3.1.4 Adjustment operations for Positions**

1. Pursuant to Article B.3.1.6 of the *Regulations*, on the occasion of company operations or operations of a general nature, *Euronext Clearing* shall amend:
  - a) the *Ordinary Positions* of the *Derivatives Sections*, in accordance with the general rules established by the *Management Companies*;
  - b) the *Positions* of the *Cash Sections*, and the *Euronext Equity Section*, in accordance with the rules established at Article B.7.1.7

## **Heading B.3.2 Default Fund**

### **Article B.3.2.1 Contribution**

1. The reference period for calculation of payments to each *Default Fund* indicated in Article 4.2.1 paragraph 4, of the *Regulations* is of one calendar month before the date of recalculation.
2. The amount of the payment to each *Default Fund* due by the *Clearing Member* is determined on the basis of the daily average of *Initial Margins* relating to the Section(s) for which the *Default Fund operates*, due for each account indicated in Article B.3.1.2, paragraphs 1 and 2 of the *Regulation*. The amount of the payment to the Default Fund established for the Euronext Equity Section, the Euronext Equity Derivatives Section, the Euronext Commodity Derivatives Section, BITA Share Section and the BITA Equity Derivatives Sections due by the Clearing Member is determined separately with respect to
  - the BITA Share and BITA Equity Derivatives Section and
  - the Euronext Equity Section, the Euronext Equity Derivatives Section, the Euronext Commodity Derivatives Section.
3. Adjustments to payments to the *Default Funds* are requested and effected on a monthly basis. In the event of particular risk situations, *Euronext Clearing* may reduce the reference period indicated at paragraph 1 and consequently calculate the payments on this reduced different time basis. Payments are adjusted according to the methods indicated in the *Default Fund Manual*; the parameters and the minimum payment are notified to *Members* through *Euronext Clearing's* website. Any variations in the said parameters, as provided in the said *Manual*, including the minimum payment, are announced by *Notices*.
4. The amount to be settled in cash for the purposes of adjustment of payments to each *Default Fund*, and the date of settlement, are notified to *Clearing Members* through the *Technological Infrastructure*.
5. The adjustment of cash payments takes place by the method indicated in Annex B.411 and/or B.411bis. Excess payments in cash are not permitted. Any balances in euros allocated to the *Default*

*Funds* in excess of the requested payment shall be returned to the *Member*.

6. The adjustment of the payment and the restitution of the said surpluses shall not be included in the daily settlement indicated at Article B.5.1.1 of the *Regulations*.
7. The interest rate recognized by *Euronext Clearing* on balances constituted in cash pursuant to this article is notified to *Members* on the *Euronext Clearing* Internet site.

### **Article B.3.2.2 Use of the Default Fund**

1. In the event of use of payments to the *Default Funds* by *Members* other than the defaulting *Member*, and in the event of a request for additional resources as per Article B.4.2.5 of the *Regulations*, *Euronext Clearing* shall immediately inform *Clearing Members* involved, the Bank of Italy, *Consob*, and the *Management Company*.

### **Article B.3.2.3 Establishment and withdrawal**

1. *Clearing Members* must proceed to establishment of payments pursuant to Article B.4.2.3 paragraph 1, of the *Regulations*, by the deadlines established in accordance with Article B.4.1.1 of the *Regulations* of the third *Euronext Clearing open day* after the request for payment indicated to *Members* involved by means of the relevant *Notice*.
2. The notice of withdrawal from *Section(s)* indicated at Article B.4.2.4, paragraph 3, of the *Regulations*, must reach *Euronext Clearing* by registered letter with acknowledgement of receipt, sent in advance via email, prior to and not later than the term provided in the *Notice* indicated at paragraph 1.
3. *Clearing Members* shall proceed with the establishment of the payments pursuant to Article B.4.2.3, paragraph 2, of the *Regulations*, by the deadlines established in accordance with Article B.4.1.1 of the *Regulations* of the following *Euronext Clearing open day after* the request for payment indicated to *Members* involved by means of the relevant *Notice*.



4. The establishment in cash of the payment to the *Default Funds* shall be made by the method indicated at Annex B.411, letter A) and/or Annex B.411bis, letter A) depending on the *Section*.

Heading B.3.3 Assets admitted as security and transaction requests.

### **Article B.3.3.1 Handling of cash in Euros for BITA Sections**

1. Payments of guarantees in cash to *Euronext Clearing* in excess of margins requested must be made by *Clearing Members* or by *Settlement Agents* who use their services, by crediting the *Euronext Clearing DCA RTGS* in *T2 System* by the method indicated in Annex B.411, letter B).
2. Payments received within the timetable set out in Annex B.331 shall be used to determine the amount to be paid, pursuant to Article B.4.1.1, on the following *Euronext Clearing open day*.
3. The *Clearing Member* (or its *Settlement Agent* for cash, who is so delegated pursuant to Article B.1.1.7) may request from *Euronext Clearing*:
  - a) the credit of currently available sums to the *Clearing Member DCA RTGS* in *T2 System* or that of its *Settlement Agent*;
  - b) the transfer of the said sums between accounts of the same Member within the System.
4. The applications indicated at paragraph 3 may be sent through the *ICWS* or, in the event of its malfunction, by sending the form provided at Annex B.331A by e-mail or fax to *Euronext Clearing*.
5. The applications indicated at paragraph 3, letter a), may be sent as a permanent request, by forwarding an appropriate application to *Euronext Clearing* in original, advanced via *ICWS* or, in the event of its malfunction by e-mail or fax, using the form provided at Annex B.331B.
6. Applications pursuant to paragraph 3 received within the timetable set out in Annex B.331 shall be paid on the same day, by the method set out in Annex B.411 letter C). Applications received outside the said term shall not be executed.

7. The rate of interest recognised by *Euronext Clearing* on the available funds deposited in cash pursuant to this article shall notified to *Members* through the *Euronext Clearing* Internet site.

### **Article B.3.3.1-bis Handling of cash in Euros for the Euronext Equity Section**

1. Payments of cash *Collateral* to *Euronext Clearing* are made by the *Clearing Member* or by its *Settlement Agent*, by crediting the *Euronext Clearing DCA RTGS* in *T2 System*, pursuant the method indicated in Annex B.331bis.
2. For the purpose of determining the *Margins* to be paid pursuant to Article B.4.1.1 on the following *Euronext Clearing open day*, *Euronext Clearing* shall consider only the sums credited to its *DCA RTGS* within the timetable set out in Annex B.331bis
3. *Euronext Clearing* returns any excess of cash registered within a *Collateral Account* to the *Clearing Member* or its *Settlement Agent*, by crediting its *DCA RTGS* in the *T2 System*. A *Clearing Member*, or its *Settlement Agent*, may request *Euronext Clearing*, pursuant to the methods foreseen in Annex B.111Abis to parametrize a *Collateral* buffer, for each *Collateral Account* registered in its own name. *Euronext Clearing* shall return pursuant paragraph 4 only the amount of cash exceeding such buffer.
4. In such instances, The *Clearing Member* or its *Settlement Agent*, may request *Euronext Clearing*, pursuant the methods indicated in Annex B.331Abis to:
  - a) credit currently available sums to the *Clearing Member DCA RTGS* in *T2 System* or that of its *Settlement Agent*;
  - b) transfer said sums between *Collateral Accounts* of the same *Member*;
5. The *Clearing Member*, or its *Settlement Agent* shall instruct the requests referenced within paragraphs 3 and 4 of this Article through the *Technological Infrastructure*. In case of malfunctioning, the *Clearing Member*, or its *Settlement Agent* shall instruct the requests, within the fashion set forth in Annex

B.331Abis through the *SFTP* channel or, if the CCP so communicated in advance, email.

6. The rate of interest recognised by *Euronext Clearing* on the available funds deposited in cash pursuant to this article is notified to *Members* through the *Euronext Clearing* Internet site.

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The provisions related to the requests mentioned in paragraph 4, letter b) will enter into force with a subsequent notice.

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### **Article B.3.3.1-ter Handling of cash denominated in currency other than EURO**

1. As per Article B.4.3.1. of the *Regulations*, Clearing Members clearing transactions negotiated on the *Markets* listed in Chapter B.10-bis, may also deposit cash denominated in US Dollars (USD) and British Pounds (GBP), for the fulfilment of *Margin* obligations only.
2. Cash amounts in the currencies of paragraph 1 are acquired by the CCP under full title transfer regime, as per Article A.1.1.1 of the *Regulations*. The deposit and restitution between *Euronext Clearing* and *Clearing Members* shall be affected through accounts held within one *Eligible Credit Institution* listed in Article B.14.1.2.
3. The CCP shall indicate, within an *Annex*, the minimum amounts below which deposits in the currencies foreseen in paragraph 1 will not be accepted. The CCP shall indicate within the same *Annex* the deadlines for deposit and restitution requests applicable to *Clearing Members*.
4. For the purpose of determining the *Margins* to be paid pursuant to Article B.4.1.1 on the following *Euronext Clearing open day*, *Euronext Clearing* shall consider only the sums credited to its accounts, within the deadlines set out in *Annex*.
5. The *Clearing Member* shall instruct the requests referenced within paragraphs 3 of this Article through the *Technological Infrastructure*. In case of malfunctioning, the *Clearing Member*, shall instruct the requests, within the fashion set forth in an *Annex*

through the *SFTP* channel or, if the CCP so communicated in advance, email.

6. The rate of interest recognised by *Euronext Clearing* on the available funds deposited in cash pursuant to this article is notified to *Members* through the *Euronext Clearing* Internet site.
7. *Euronext Clearing* invests the cash amounts mentioned in paragraph 1, posted as *Collateral* by *Clearing Members*, in cash or highly liquid financial instruments.

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The provisions of Article B.3.3.1-ter, regulating the acceptance of non-euro cash Collateral, will enter into force with a subsequent notice.

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### **Article B.3.3.2 Handling of Financial Instruments for *BITA* Sections**

1. The *Financial Instruments* that may be deposited pursuant to Article B.4.3.1, paragraph 1(b), of the *Regulations* and the related concentration limits specified in Article B.4.3.1, paragraph 3(b), of the *Regulations* shall be indicated in Annex B.332.
2. The deposit of *Financial Instruments* must be made to the securities accounts of Article B.3.3.5.
3. The financial instruments indicated at paragraph 1 shall be deposited in accordance with the terms in Annex B.331, informing *Euronext Clearing* in advance via email. In this case the *Financial Instruments* shall be used to determine the amount to be paid, pursuant to Article B.4.1.1 on the following *Euronext Clearing open day*.
4. The *Financial Instruments* indicated at paragraph 1 shall be considered when determining the *Margins* to be paid pursuant to Article B.4.1.1 only up to the fourth calendar day inclusive before their maturity.
5. The valuation for guarantee purposes of financial instruments pursuant to paragraph 1 shall be carried out according to the calculation criteria and according to the schedule set out at Annex B.332.

6. *Clearing Members* (or their *Settlement Agents* for the *Central Depository Service* or for the Foreign Entity providing *Settlement Services* and *Central Depository Service* so mandated pursuant to Article B.1.1.7) may request that *Euronext Clearing* withdraw the *Financial Instruments* indicated at paragraph 1 that are deposited and currently available in securities accounts referred to in subsequent Article B.3.3.5 or the transfer of the said *Financial Instruments* between accounts of the same *Member* within the *System*.
7. The applications indicated at paragraph 6 may be sent through the *ICWS* or, in the event of its malfunction, sent to *Euronext Clearing* by e-mail or fax, using the form provided at Annex B.332A or, if the withdrawal of the *Financial Instruments* is possible only following the deposit of new *Financial Instruments* and/or cash, using the form provided at Annex B.332B, according to the rules indicated in the same annex.
8. Requests of withdrawal and transfer received by the timetable established in Annex B.331 shall be paid on the same day; those received subsequently are taken into consideration exclusively on the following *Euronext Clearing open day* and shall be executed during that day, provided that the entire quantity of the *Financial Instruments* subject to the transfer request are still available. Requests of withdrawal following the deposit of new *Financial Instruments* and/or cash received by the timetable established in Annex B.331 shall be executed on the same day; those received subsequently are not executed. *Euronext Clearing* shall proceed to transfer the *Financial Instruments* by the methods indicated at Annex B.411, letter E).
9. According to the regulations of the *Central Depository Service*, amounts relating to the accrued interest on *Financial Instruments* deposited and redeemed capital shall be credited, on the instructions of *Euronext Clearing*, by the said *Central Depository Service* to the *Settlement Agent* or in their absence the *Clearing Member* concerned.
10. *Clearing Members* may deposit Belgian government bonds included within the list of eligible Collateral pursuant to paragraph 1, only upon condition that these *Financial Instruments* are transferred from their own proprietary accounts. Belgian Government bonds originating from third party accounts are not accepted by *Euronext*

Clearing as eligible Collateral. The Clearing Members shall deploy the necessary arrangements in order to comply at all times with this restriction.

### **Article B.3.3.2-bis Handling of Financial Instruments for the Euronext Equity and Euronext Derivatives Sections**

1. The list of eligible *Financial Instruments* pursuant to Article B.4.3.1, paragraph 1 letter (b) of the *Regulations*, is detailed in *Annex B.332bis*. *Euronext Clearing* applies the methods for valuation, the haircuts and the limits of concentration referred to in Article B.4.3.1, paragraph 4(b) of the *Regulations*, within the fashion set forth in the same *Annex*.
2. The deposit of *Financial Instruments* indicated in paragraph 1 is carried out by the *Clearing Member* or its *Settlement Agent* to the securities accounts referenced within Article B.3.3.5 bis of these *Instructions*.
3. *Financial Instruments* indicated at paragraph 1 shall be deposited in accordance with the terms referenced in AnnexB.331bis. For the purpose of determining the *Margins* to be paid on the following *Euronext Clearing open day* pursuant to Article B.4.1.1., *Euronext Clearing* considers only the *Financial Instruments* deposited within said terms.
4. For the purpose of determining the *Margins* to be paid pursuant to Article B.4.1.1, *Euronext Clearing* shall consider the *Financial Instruments* indicated at paragraph 1, only up to the fourth calendar day (included) before their maturity.
5. The *Clearing Member* (or their *Settlement Agents* for the *Central Depository Service* or for the Foreign Entity providing Settlement Services and Central Depository Service so mandated pursuant to Article B.1.1.7), may request *Euronext Clearing*, pursuant to the methods and terms indicated in AnnexB.332Abis, the:
  - a) Withdrawal of the *Financial Instruments* indicated at paragraph 1, that are registered in the *Clearing Member's Collateral Accounts* and currently available in the securities accounts referred to in Article B.3.3.5 bis;

- b) transfer of currently available *Financial Instruments* indicated at paragraph 1 between *Collateral Accounts* of the same *Member*;
6. The *Clearing Member*, or its *Settlement Agent*, shall instruct the requests referenced within paragraph 6 of this Article through the *Technological Infrastructure* . In case of malfunctioning, the *Clearing Member*, or its *Settlement Agent* shall instruct the requests, within the fashion set forth in Annex B.332Abis through the *SFTP* channel or, if the CCP so communicated in advance, email.
  7. *Euronext Clearing* shall only execute those requests which are instructed within the terms of Annex B.331bis
  8. According to the regulations of the *Central Depository Service*, amounts relating to the accrued interest on *Financial Instruments* deposited and redeemed capital shall be credited, on the instructions of *Euronext Clearing*, by the said *Central Depository Service* to the *Settlement Agent* or in their absence the *Clearing Member* concerned.
  9. Clearing Members may deposit Belgian government bonds included within the list of eligible Collateral pursuant to paragraph 1, only upon condition that these Financial Instruments are transferred from their own proprietary accounts. Belgian Government bonds originating from third party accounts are accepted by Euronext Clearing as eligible Collateral. The Clearing Members shall deploy the necessary arrangements in order to comply at all times with this restriction.

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The provisions related to the requests mentioned in paragraph 5, letter b) will enter into force with a subsequent notice.

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### **Article B.3.3.3 Handling of assets underlying options on individual shares and stock futures with physical delivery**

1. The deposit of underlying shares to cover *Positions* in short "call" options and *Positions* in short stock futures with physical delivery



is made by *Members* or their *Settlement Agents* only for amounts equal to, or whole multiples of, the number of underlying shares provided by the corresponding *Contractual Scheme*.

2. The deposit of shares shall be made to the securities accounts indicated at Article B.3.3.5.
3. Shares deposited within the timetable indicated at Annex B.331 are used to cover the respective short "call" *Positions* in options on shares, or the short *Positions* in stock futures, on the basis of the allocation chosen by the Member pursuant to Article B.3.3.6. The *Positions* guaranteed by underlying shares are defined as "covered positions".
4. Short "call" *Positions* in options on shares are covered according to the following priorities:
  - a) priority is given to covering the *Positions* that, at the end of each trading day, have a higher daily settlement price, followed by those with lower prices. For assigned options, instead of the daily settlement price, the *In-The-Money Amount* is considered, which is conventionally equal to the difference between the reference price of the underlying asset – as defined in the Regulations for *Markets* organised and managed by the *Management Companies* with whom *Euronext Clearing* has stipulated an appropriate agreement – and the strike price. Where the daily settlement price or the *In-The-Money Amount* are equal, the *Positions* with greater residual time of on the day of maturity of the option contract are covered.
  - b) where the daily settlement price or *In-The-Money Amount* and the maturity times are equal, the *Positions* with a lower strike price are covered.
5. Short *Positions* in stock futures are covered according to the following priorities:
  - a) priority is given to covering the *Positions* relating to the maturity on which a greater number is open;

- b) when short *Positions* opened on different maturities are equal, priority is given to covering the *Positions* with more residual time until maturity.
6. Shares allocated to cover short "call" *Positions* in options on shares and those allocated to cover short *Positions* in stock future are tied to satisfy obligations to the *Settlement Services*, therefore the *Member* is not obliged to forward the said shares to the *Settlement Services*. This obligation applies:
- a) in case of assignment of short "call" *Positions* in options on the same underlying assets;
- b) if short *Positions* in stock future, with the same underlying assets are present at closing on the day of maturity.
7. The tied shares shall continue to be used to cover *Positions* by the methods indicated at paragraphs 4 and 5:
- a) between the day of assignment, deriving from the exercise of the option by *Euronext Clearing*, and the day of settlement at the *Settlement Services*;
- b) between the day of maturity of the stock future contract and the day of settlement at the *Settlement Services*.
8. *Clearing Members* (or their *Settlement Agents* for the *Centralized Depository Service*, so mandated pursuant to Article B.1.1.7) may apply to *Euronext Clearing* through the *ICWS*, or, in the event of its malfunction by forwarding to *Euronext Clearing* the form provided at Annex B.333 by fax, for the withdrawal for settlement of non-tied shares existing in securities accounts referred to in subsequent Article B.3.3.5 or for the transfer of such *Financial Instruments* between accounts of the same *Member* within the *System*.
9. The applications indicated at paragraph 8, received within the timetable set out in Annex B.331, shall be executed by the method set out in Annex B.411, letter E):
- a) the same day, for shares not used to cover *Positions*;

b) the *following Euronext Clearing open day*, for shares used to cover *Positions*, provided that initial Margins have been previously deposited for them.

10. The applications indicated at paragraph 8, received after the timetable set out in Annex B.331, shall be taken into consideration on the following *Euronext Clearing open day* and shall be executed according to the rules indicated at paragraph 9 and by the method set out in Annex B.411, letter E).
11. According to the rules of the *Centralized Depository Service*, amounts relating to distributed dividends on deposited shares shall be accredited, on *Euronext Clearing's* instructions, by the said *Centralized Depository Service* to the *Settlement Agent* or in its absence, to the *Clearing Member* concerned.

#### **Article B.3.3.4 Use of Collateral**

1. The *Collateral* indicated at Article B.3.3.1, Article B.3.3.1 bis, Article B.3.3.2 and Article B.3.3.2 bis may be used without discrimination for the purposes of covering the *Margins* relating to all *Sections*.
2. Outside of the context of a default procedure as per Article B.6.2.1., *Collateral* posted by a *Member* for the purpose of fulfilling margin and other obligations deriving from participation within the *Euronext Equity Section* remains segregated from the *Collateral* posted by the same *Member* for the purpose of fulfilling margin and other obligations arising from participation within the other *Sections* of the *System*.
3. Outside of the context of a default procedure as per Article B.6.2.1., potential *Collateral* acquired by the CCP in excess of amounts requested to the *Member* active on the *Euronext Equity Section*, cannot be used to cover shortfalls registered in other *Sections* of the *System* and vice versa.

#### **Article B.3.3.5 Securities Accounts for BITA Sections**

1. The *Financial Instruments* indicated at Article B.3.3.2 and Article B.3.3.3 shall be deposited in the *Euronext Clearing* securities accounts at a *Central Depository Service*, sub-registered in the

*Clearing Member's* name and possibly further sub-registered in the name of the *Client* or, in the case referred to in Article B.3.3.3, of the *Trading Client* for which provision has been made for the registration of *Positions* pursuant to Article, B.3.0.1 paragraph 4 of the *Regulations*.

2. In order to open the said securities accounts sub-registered as described above, the *Clearing Member* shall send an appropriate form, available from the *Euronext Clearing* Internet site, to *Euronext Clearing*, with prior notice of at least five *Euronext Clearing* open days. *Euronext Clearing* shall notify the *Clearing Members* of the details of securities accounts sub-registered in its name and of its *Clients* and *Trading Clients*, if any.
3. *Euronext Clearing* may close the securities accounts if they are not used for a period of six months, giving notice of it to the *Clearing Member*.

### **Article B.3.3.5-bis Securities Accounts for the *Euronext Equity and Derivatives Sections***

1. In derogation from previous Article B.3.3.5, *Financial Instruments* indicated at Article B.3.3.2 are deposited in a securities collateral omnibus account registered in the name of *Euronext Clearing* at a *Central Depository Service*, as specified in article B.13.1.1bis of the *Instructions*, for all *House* or *Client Account Structures* of the *Clearing Members*.
2. Exceptionally to paragraph 1, solely for *Individual Segregated Account Structures*, a *Clearing Member* may request *Euronext Clearing*, through the form provided in Annex B.335, to deposit the *Financial Instruments* referred to in paragraph 1 in a securities collateral segregated account, opened in the name of the CCP at a *Central Depository*, as specified in article B.13.1.1bis of the *Instructions*.

### **Article B.3.3.6 Allocation of deposited shares**

1. Shares deposited in the *Euronext Clearing* securities accounts indicated at Article B.3.3.5, are automatically allocated to cover the short "call" *Positions* in options on shares registered in the accounts indicated at Article B.3.1.2, paragraphs 1 and 2, of the *Regulations*.

2. *Clearing Members* – by the deadlines established at letter E) of Annex B.211, and using the *BCS* - may change the allocation of the deposited shares:
  - a) from the cover of short “call” *Positions* in options on shares, to the cover of short *Positions* in stock futures with physical delivery;
  - b) from the cover of short *Positions* in stock futures with physical delivery, to the cover of short “call” *Positions* in options on shares;
  - c) from the cover of *Positions* registered in the account, to the cover of *Positions* registered in a sub-account of the same account;
  - d) from the cover of *Positions* registered in a sub-account, to the cover of *Positions* registered in the relevant account;
  - e) from the cover of *Positions* registered in a sub-account, to the cover of *Positions* registered in another sub-account of the same account.
3. In the event of malfunction of the *BCS*, the *Member* may forward the allocation change request to *Euronext Clearing* via *ICWS* or, in the event of its malfunction, by fax, by the same deadlines as indicated at paragraph 2, using the form set out at Annexes B.336.
4. Requests pursuant to paragraph 2 relating to *Positions* of a *Trading Client* may be forwarded:
  - a) by the *General Clearing Member* or,
  - b) by the *Trading Client* mandated pursuant to Article B.1.2.3, paragraph 2.
5. Changes in allocation are not allowed if the shares are tied to satisfy obligations to the *Settlement Services*, pursuant to Article B.3.3.3, paragraph 6.

### Article B.3.3.7 Central Bank Guarantees

1. Pursuant to Article B.4.3.1., paragraph 1, letter d) of the *Regulations*, *Euronext Clearing* accepts *Central Bank Guarantees* as an alternative solution to the transfer of *Collateral*, under the following conditions.
2. A *Clearing Member* established in the Netherlands or in Belgium, may provide a *National Central Bank Guarantee*, committed by the Dutch National Bank (DNB) or the National Bank of Belgium (NBB), in order to fulfill its *Margins* and *Default Fund* obligations vis-à-vis the CCP.
3. To that end, said *Clearing Member* shall enter into an agreement with the relevant *National Central Bank*, in order for the latter to issue a guarantee for the benefit of *Euronext Clearing*. The *Clearing Member* shall provide to *Euronext Clearing* confirmation that said agreement has been stipulated, within the fashion set forth in an Annex.
4. In the context of daily *Margin* calculations, the guarantee is deemed effective, once *Euronext Clearing* receives confirmation by the relevant *Central Bank*, by the deadlines specified within the same Annex, that the amounts corresponding to the *Margin* and/or *Default Fund* obligations of the *Clearing Member* are guaranteed by the latter. The amount guaranteed by the relevant National Central Bank is reviewed every time *Euronext Clearing* communicates *Margins* due by the relevant *Clearing Member* pursuant to Article B.5.1.1 of the *Regulations*.
5. In case partial confirmation or no confirmation is received from the relevant Central Bank, *Euronext Clearing* shall calculate and communicate to the *Clearing Member* the amounts in cash that must be made available respectively to the *DCA RTGS Account* in the *T2 System* of the *Clearing Member* or its *Settlement Agent* by the deadline set forth in Article B.4.1.1, paragraph 2, letter b).
6. The use of *National Central Banks Guarantees* is limited only to the fulfilment of requests for *Margins* and *Default Fund* contributions issued pursuant to Articles B.4.1.1. and B.4.2.1 of the *Regulations* respectively. In case of default, the CCP makes use of the Central

Bank Guarantee pursuant the fashion set forth in Article B.6.2.1, paragraph 2 of the *Regulations*.

7. The limits and other relevant parameters calculated pursuant to Article B.4.3.1., paragraph 4, letter d) of the *Regulations* by *Euronext Clearing* regulating the use of *Central Bank Guarantees* are published on Euronext Clearing website.

### **Article B.3.3.8 Use of Central Bank Guarantee**

1. In case of default pursuant to Article B.6.1.1 of the *Regulations* of a *Clearing Member* that has chosen to fulfil *Margin* and/or *Default Fund* obligations through a *Central Bank Guarantee*, the relevant Central Bank fulfills the guarantee according to the following provisions.
2. Upon an event of default, *Euronext Clearing* addresses a formal request to the Central Bank to activate the *Central Bank Guarantee* and related liquidity arrangement, including the default declaration adopted pursuant to Article B.6.1.1 of the *Regulations* and the sum for which the guarantee is activated.
3. Upon receipt of the request mentioned in the previous paragraph, the relevant Central Bank transfers the cash in favour of *Euronext Clearing*.
4. Following an *Event of Default*, *Euronext Clearing* shall use the sums received pursuant preceding paragraph 3 within the conditions set forth in Article B.6.2.3 of the *Regulations*.

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The provisions of Article B.3.3.7 and B.3.3.8, regulating the use of Central Bank Guarantees, will enter into force with a subsequent notice.

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### ***Heading B.3.4 Management of Positions limits applied to Positions held within the Euronext Commodities Derivatives Section.***

#### **Article B.3.4.1 Management of Positions size limits and Positions variation limits applied to Positions held within the Euronext Commodity Derivatives Section.**

1. In accordance with Article B.4.4.1 of these *Regulations*, *Euronext Clearing* shall apply controls on *Positions size* limits and *Positions variation* limits on *Positions* held at *Clearing Member's* level on physically delivered commodity contracts, as part of the *Euronext Commodity Derivatives Section*.
2. As a preliminary step to the physical delivery process, while considering the capacity constraints of each *Delivery Place* related to each commodity contract, *Clearing Members* shall comply with *Position size* limits and *Position variation* limits, as defined by *Euronext Clearing* and communicated via relevant Notices.
3. As from the 12<sup>th</sup> *Trading Day* before the commodity contract's *Expiry Day* (D-12) until the contract's *Expiry Day* included (D), *Clearing Members* shall ensure that their *Position(s)* calculated in a number of contracts of a specific commodity derivative contract held for their own account (registered in each of their *House Position Account*) and held for the account of their Clients (registered in each of their *Clients Position Accounts*) do not exceed and remains within the authorised *Position size* threshold, as defined by *Euronext Clearing* for each of the physically delivered future contracts as specified in a Notice.
4. As from the second *Trading Day* before the *Expiry Day* (D-2) until the *Expiry Day* included (D), *Clearing Members* shall ensure that their *Position(s)* calculated in a number of contracts of a specific commodity derivative contract held for their own account (registered in each of their *House Position Account*) and held for the account of their Clients (registered in each of their *Clients Position Accounts*) do not exceed and remains within the authorised *Positions variation* limits, as defined by *Euronext Clearing*. Such *Position variation* limits are made available to *Clearing Members* through a Notice.

5. Pursuant to Article B.4.4.1 of these *Regulations*, in case of non-fulfilment of the above-mentioned obligations, referred to in above paragraphs 3) and 4), *Euronext Clearing* is entitled to liquidate the part of the *Position* exceeding the defined threshold, pursuant to the manner specified in paragraph 4 of Article B.6.2.1 of the *Regulations*. In such case, *Euronext Clearing* shall liquidate, in order of priority, first the *Clearing Member's House Position* in excess, then the *Clearing Member's Client Positions* in excess, on a pro rata basis across *Clearing Member's Client Positions Accounts*.
6. In the event of a breach of the above-mentioned Position size limits and Position variation limits, Euronext Clearing may apply a penalty fee, as specified in its Price List.

## CHAPTER B.4 Daily Settlement

### Article B.4.1.1 Daily Settlement

1. The amount of cash to be paid daily in euro shall be reported by *Euronext Clearing* to each *Clearing Member* and to *Settlement Agents* by means of the *Reports*, the *Notice of Payment* and through the "Daily payments accounting system" set out at Article B.9.1.2.
2. Payments in euros under paragraph 1 must be made by *Clearing Members* or by *Settlement Agents*, ensuring its own *DCA RTGS in T2 System* has sufficient funds prior to and no later than the following deadlines established by Article B.5.1.1 of the *Regulations*:
  - a. 9.00 a.m. on the Euronext Clearing open day on which the payment is due for *Clearing Members active on Euronext Equity Section and Euronext Derivatives Sections*.
  - b. 9.30 a.m. on the Euronext Clearing open day on which the payment is due for all other Sections of the System;

Payments should be made in accordance with the methods indicated in Annex B.411, letter A) or for the Euronext Equity and Euronext Derivatives Sections in Annex B.411bis letter A).

3. *Euronext Clearing* makes payments in euro to the corresponding *DCA RTGS in T2 System* of *Clearing Members* or *Settlement Agents*, by the methods indicated in in the same Annexes.
4. The determination of the amount of cash to be paid in euro, due in relation to the final settlement of differentials and other item, defined in currencies other than the euro, takes place on the basis of the change which applies to *Euronext Clearing* by the intermediary appointed for the purchase or sale of the currency.

### Article B.4.1.2 Daily Settlement in currencies other than euro for the *Euronext derivatives Section*

1. *Clearing Members* intending to clear *Financial Derivatives Instruments* denominated in a currency other than EURO, shall fulfill

the related daily settlement obligations in the currency foreseen in the *Contractual Scheme*, and namely:

- in US Dollar ("USD"),
- Swedish Krone ("SEK"),
- Danish Krone ("DKK"),
- Norwegian Krone ("NOK"),
- British Pound ("GBP"); and/or
- Swiss Franc ("CHF").

2. For each of the above-mentioned currencies, *Euronext Clearing* indicates in Article B.14.1.1 the list of *Eligible Credit Institution*, which shall be used by *Euronext Clearing* and *Clearing Members*. To that end, a *Clearing Member*, or where applicable, its *Settlement Agent*, shall open an account within the relevant *Eligible Credit Institution*.
3. *Euronext Clearing* shall directly debit and credit such account on behalf of the *Clearing Member* or on behalf of its *Settlement Agent*, via a power of attorney, within the deadlines set forth in Article B.4.1.1, paragraph 2. *Clearing Members*, or where applicable, their *Settlement Agents* shall ensure that their account have sufficient funds prior and no later than these deadlines.
4. Alternatively, in case that no power of attorney is accepted under the operating arrangements of one *Eligible Credit Institution*, at the beginning of each *Euronext Clearing Open Day*, the *Clearing Member*, or its *Settlement Agent*, shall credit directly the amounts communicated by *Euronext Clearing* to its account, within the deadlines specified in *Annex B.411-bis*.
5. Sums due in currencies other than euro are reported by *Euronext Clearing* to each *Clearing Member* and to *Settlement Agents* by means of *Reports*. In case *Euronext Clearing* intends to avail itself from the provisions of Article B.5.1.2, paragraph 5 of the *Regulations*, *Euronext Clearing* shall inform relevant *Clearing Members* and *Settlement Agents*, through a *Report*.

## CHAPTER B.5 Final settlement of Positions of BITA Cash Sections and Euronext Equity section

### Article B.5.1.1 Final settlement of Positions of Cash Sections

1. The *Positions*, whose settlement date is after the trade date, shall be sent:
  - a. to the *Settlement Services* referred to in article B.13.1.1, paragraph 1, letter a) at the end of the day prior to the settlement date, for the *Positions* of the *Sections* other than the *ICSD Bond Section and other than Euronext Equity Section*;
  - b. to the *Settlement Services* referred to in in article B.13.1.1 paragraph 1, letter b) on the open days of the *T2 System*, within the time limits indicated in Annex B.511A of the day prior to the settlement date, for the *Positions* of the *ICSD Bond Section*;
  - c. to the *Settlement Services*, as defined in Article B.13.1.1-bis, on the open days of the *Settlement Services*, at the end of trade date, for the *Positions* for the *Euronext Equity Section*.
2. The *Positions*, for which the *Contractual Scheme* makes provision for the settlement to occur on the trade date, shall be sent to the *Settlement Services* right after the conclusion of the contract.
3. *Positions* in the *Cash Section* may be partially settled, in the manner indicated in Annex B.511B.
4. Requests to change or cancel *Positions*, sent to the *Settlement Services* and awaiting settlement or not settled within the time limits established by the *Contractual Scheme*, may be sent to the *Settlement Services* only by *Euronext Clearing*. In the event of requests for cancellation sent by a *Member*, the provisions of Chapter B.7 shall apply.
5. For the *Euronext Equity Section*, *Clearing Members* may request to the *Settlement Service* to suspend the settlement of *Positions* already sent to the *Settlement Services* and awaiting settlement or not settled within the time limits established by the *Contractual Scheme*.

### **Article B.5.1.2 Manner of creating the balances to be settled at a Settlement Service BITA Cash Sections**

1. The *Positions* whose settlement takes place at a *Settlement Service* managed by Euronext Securities Milan are aggregated into bilateral balances calculated by the *Pre-settlement Service*, pursuant to Article B.11.1.1, in the manner indicated in its rules.
2. The *Positions* whose settlement takes place at a *Settlement Service* managed by a *Foreign Entity* are aggregated into bilateral balances calculated in the manner indicated in the *Manual for the creation of net balances for the ICSDs*. In this case The Pre-settlement information is made available by *Euronext Clearing* to the *Clearing Members* and the related *Settlement Agents* in the manner indicated in Article B.9.1.1.
3. The information on the settlement is provided to the *Clearing Members* or the related *Settlement Agents* by the *Settlement Service*.

### **Article B.5.1.2-bis Manner of creating the balances to be settled at a Settlement Service for Euronext Equity Section**

1. The *Positions* registered in *Position Accounts* of the *Euronext Equity Section* are aggregated into net settlement balances calculated per *Delivery Account* according to the following attributes:
  - a. *Intended Settlement Date (ISD)*;
  - b. *settlement* currency.
2. When the aggregation of *Positions* results in net settlement balances for delivery or receipt of cash or securities only, or for delivery or receipt of both cash and securities to the same *Clearing Member* ("strange nets") settlement instructions are entered into the relevant *Settlement Service* according to the configuration requested to *Euronext Clearing* by the *Clearing Member*, where available, or on the basis of the functioning rules of the relevant *Settlement Service*.
3. Each *Position Account* shall be linked to a *Delivery Account*. Each *Delivery Account* may be linked to one or several *Position Accounts*.

*The Clearing Member may request Euronext Clearing to open several Delivery Accounts. The Clearing Member defines the link between Position Accounts and Delivery Account(s).*

4. Each *Delivery Account* shall be linked only to one *Settlement Address* for the delivery of *Financial Instruments* in relevant *Settlement System*, unless Euronext Clearing requires the Clearing Member to specify an additional *Settlement Address* for operational reason.
5. The Clearing Member shall set the configuration of the *Delivery Accounts* and the relevant *Settlement Address* details specified in the Annexes and shall communicate relevant information to *Euronext Clearing* at the time of onboarding and shall communicate relevant information to *Euronext Clearing* later on, at any time, in case of configuration changes required by the *Clearing Member*.

### **Article B.5.1.2-ter Final settlement of Positions of the Euronext Equity Sections**

1. Settlement of *Positions* is instructed by Euronext Clearing to the relevant *Settlement Service*, at the end of trade date, and according to the following rules:
  - a. Settlement instructions on EURO denominated securities for final settlement in Settlement Services as defined in Article B.13.1.1.bis
  - b. Settlement instructions on EURO denominated securities not eligible in Euronext Securities Milan, and on non-EURO denominated securities as well as on international exchange traded products issued by Euroclear Bank are sent to Euroclear Bank.
2. Euronext Clearing shall instruct the *settlement account in the relevant Settlement Service* associated to each Delivery Account, on behalf of the *Clearing Member* or on behalf of the *Settlement Agent* of the *Clearing Member* via a power of attorney.
3. The *Clearing Member* may request that all settlement instructions are systematically suspended from settlement since the moment of



the entry into the Settlement Service. In this case, the *Clearing Member or its Settlement Agent* shall request the *Settlement Service* to release each suspended instruction to allow for the settlement within the intended settlement date as provided by the *Contractual Scheme*.

4. Settlement instructions to be settled in the *Settlement Services* referred to in article B.13.1.1 bis letters from a) to e) are sent by *Euronext Clearing* as already matched. Settlement instructions to be settled in the *Settlement Services* referred to in article B.13.1.1 bis shall be matched by *Clearing Members* or their *Settlement Agents* according to the rules of *Settlement Service*.
5. Partial settlement is always allowed for all *Settlement Services*.

**Article B.5.1.3 Final cash settlement in the event of default or service termination by the *Special Clearing Member* or the service termination by *Euronext Clearing***

1. The determination of the price at which *Euronext Clearing* proceeds for cash settlement pursuant to Article B.6.2.2 bis, paragraph 1, point iv) and paragraph 3 and Article B.6.2.5 paragraph 2, point iii), of the *Regulations* is carried out according to the methods and criteria for the valuation of variables specified in the Annex B.514. These methods and criteria are aimed to assign a market value at which to settle the positions on the cash settlement date. The price should be representative of the economic value of the underlying financial instruments and the future cash flows at the date of the cash settlement.

## **CHAPTER B.6 Exercise of options and settlement of Positions in Derivatives Sections**

### ***Heading B.6.1 Exercise of options of the BITA Equity Derivatives Section***

#### **Article B.6.1.1 Early exercise**

1. *Clearing Members* may forward a request for early exercise of the options to *Euronext Clearing*, where this right is provided by the *Contractual Scheme*, by the deadline indicated at letter A) of the Annex B.611, through the *BCS*. Applications for early exercise received before the said term shall have effect on the day of receipt, while those received after the said term shall not be executed.
2. In the event of malfunction of the *BCS*, the application, may be sent via *ICWS* or, in the event of its malfunction, by fax, by sending the form provided at Annex B.611A.
3. The applications indicated at the previous paragraph are not accepted if forwarded for a number greater than the *Positions* opened on the same *Series* in the name of the *Member* concerned.
4. Adjustments or revocations of applications for early exercise may be made, only within the deadline indicated at letter A) of the Annex B.611, by forwarding an appropriate application to *Euronext Clearing* through the *BCS*. Applications received by the deadline indicated above shall be executed on the day of receipt, while those received after the said term shall not be executed. The provisions of paragraph 2 shall also apply to such applications.
5. Options shall be understood as exercised with respect to *Euronext Clearing* on expiry of the term provided in letter A) of the Annex B.611 and from that moment they shall no longer be revocable or amendable. Subsequently, on the same business day as the application for early exercise, *Euronext Clearing* shall exercise the corresponding strike rights pursuant to Article B.5.2.5 of the *Regulations*, notifying *Members* concerned through the *BCS*. Where the said notice concerns *Positions* of a *Trading Client*, it shall be forwarded also to the said *Trading Client*.

## Article B.6.1.2 Exercise at maturity

1. At the end of the trading of the matured Series:
  - a) the option contracts matured are «In-the-Money», «At-the-Money» e «Out-of-the-Money» on the basis of the price or the value of the underlying asset, conventionally equal to:
    - for options on shares, at the reference price of the underlying share on the last day of trading;
    - for options on Stock Market indices, at the settlement price determined by the *Management Company*;
  - b) options considered «In-the-Money», shall be considered tacitly exercised by *Members* following the deadline indicated at letter B), point 2) of the Annex B.611 and are not required to be met, only when the *Scheme* sets out delivery of the underlying, via express request in accordance with paragraph 2;
  - c) options considered «At-the-Money» and «Out-of-the-Money» may be exercised, only when the *Contractual Scheme* sets out delivery of the underlying.
  - d) In the case the *Contractual Scheme* provides for the delivery of the underlying, *Euronext Clearing* forwards to *Clearing Members* the *Reports* which show whether the contracts are «In-the-Money», «At-the-Money» e «Out-of-the-Money», as indicated at letter a).
2. With reference to options whose *Contractual Scheme* provides the delivery of the underlying, prior to and not later than the deadlines indicated at letter B), point 1) of the Annex B.611, *Members* may forward to *Euronext Clearing*, for each account, sub-account and *Series*, express requests relating to the exercise (the so-called “exercise by exception”), through the *BCS*. In such cases, the request for “exercise by exception” must indicate the number of options that the *Member* intends to effectively exercise. Where the *Member* does not wish to exercise any option indicated in the list of «In-the-Money» options, the said *Members’* request must indicate the number zero for “exercise by exception”.

3. In the event of malfunction of the *BCS*, the requests indicated at paragraph 2 shall be forwarded through *ICWS* or, in the event of its malfunction, via fax, by sending the form provided at Annex B.612.
4. If a request as indicated at paragraph 2 or 3 is effected for a number of options greater than the number of matured options, the said request shall not be accepted by *Euronext Clearing*. The rejection is immediately notified to the *Member* concerned through the *Trading System*.
5. Adjustments or revocations of requests for "exercise by exception" may be received by *Euronext Clearing* within the deadlines indicated at letter B), point 1) of the Annex B.6.11 through the *BCS*, by inserting a new request that cancels and replaces the previous one. In the event of malfunction of the *BCS*, paragraph 3 shall apply.
6. The options are understood as exercised with respect to *Euronext Clearing* on the expiry of the deadline indicated in letter B), point 2) of the Annex B.611, and from that moment are not revocable or amendable. On the same day, and after the expiry of the said deadlines, *Euronext Clearing* shall:
  - a) exercise, pursuant to Article B.5.2.5 of the Regulations, the corresponding rights of option, taking account of the requests for "exercise by exception" received by Members pursuant to the preceding paragraphs;
  - b) forward the notice of *Positions* in assigned options to the *Members* concerned through the *BCS*: the same information is also sent through the *Reports* to *Clearing Members* and to *Trading Clients* authorized pursuant to Article B.1.2.3, paragraph 4.

## ***Heading B.6.1.bis Exercise of options of the Euronext Derivatives Sections***

### **Article B.6.1.1bis Early exercise**

1. Where foreseen within the applicable *Contractual Scheme*, up until date of expiry, a *Clearing Member*, or its Trading Client if delegated, may submit to *Euronext Clearing* a request for early exercise of *Positions* in options, by the deadline indicated in Annex B.611-bis, through the *Technological Infrastructure*. Requests for early exercise received before the said term shall be executed on the day of receipt, while those received after the said term shall be executed on the following day.
2. The applications indicated at the previous paragraph are not accepted if forwarded for a number greater than the *Positions* opened on the *Series* in the name of the *Clearing Member* concerned.
3. Options, for which an early exercise has been requested, shall be understood as exercised with respect to *Euronext Clearing* on expiry of the deadlines referenced in paragraph 1 and from that moment they shall no longer be revocable or amendable. Before that deadline, the *Clearing Member*, or its Trading Client, if delegated, may still revoke or amend a request of early exercise, through the *Technological Infrastructure*.
4. On the same business day as the application for early exercise, *Euronext Clearing* shall exercise the corresponding option rights pursuant to Article B.5.2.5bis of the *Regulations*, notifying the assigned *Clearing Members* through the *Technological Infrastructure*.
5. In case of malfunctioning of the *Technological Infrastructure*, the *Clearing Member* or its Trading Client if delegated, shall instruct the requests, in the manner set forth in Annex B.611A-bis, through email.

### **Article B.6.1.2-bis Exercise and abandonment at maturity of Options for the Euronext Derivatives Section**

1. At expiry date, Positions in options are either valued as «In-the-Money», «At-the-Money» or «Out-of-the-Money».
2. *Euronext Clearing* shall perform the valuation based on *Settlement Price* determined by the relevant *Management Company*.
3. At expiry date, In-the-Money options are automatically exercised with respect to Euronext Clearing at the moment identified in Annex B.611bis, except the Clearing Member, or its Trading Client if delegated, provides for a manual request for abandonment pursuant paragraph 4. At expiry date, At-the-Money and Out-of-the-Money options are automatically abandoned with respect to Euronext Clearing at the moment identified in an Annex, except the Clearing Member, or its Trading Client, if delegated, provides for a manual request for exercise pursuant paragraph 4.
4. Requests for manual exercise or abandonment shall be instructed by the Clearing Member, or its Trading Client if delegated, through the *Technological Infrastructure*, before the deadlines envisaged in Annex B.611bis. Requests received after said deadlines will not be executed. Manual requests that have been instructed may be revoked or amended within the same deadlines.
5. If a request as indicated at paragraph 4 is effected for a number of options greater than the number of matured options, the said request is not accepted by *Euronext Clearing* and rejection is immediately notified to the *Clearing Member* concerned through the *Trading System*.
6. In case of exceptional market events affecting the trading session or corporate events affecting the underlying Financial Instruments, Euronext Clearing may extend the deadlines envisaged in said Annex through a *Notice*.
7. At the deadline identified in paragraph 3, *Euronext Clearing* shall, considering also the manual requests received pursuant to paragraph

- 4, exercise, pursuant to Article B.5.2.5bis of the Regulations, the corresponding option's right and forward the notice of exercise to the assigned Clearing Members through the technological Infrastructure.
8. In case of malfunctioning of the *Technological Infrastructure*, the *Clearing Member* or its Trading Client if delegated, shall instruct the requests, within the fashion set forth in Annex B.612-bis or B.612A-bis through email.

## ***Heading B.6.2 Final settlement of Positions of the BITA Equity Derivatives Section with delivery of underlying assets***

### **Article B.6.2.1 Options on individual shares**

1. Before 9.00 am on the *Market* trading day following the exercise, *Euronext Clearing* shall communicate to each *Clearing Member*, through the *Reports*, and to the *Settlement Agent*, the amounts of shares in "delivery" (or in "withdrawal") to them, and the corresponding countervalue to be received (or paid).
2. The obligation to "consign" shares indicated at paragraph 1 shall be considered discharged by the *Member* where the underlying shares have been previously deposited, according to the provision of Article B.3.3.3.

### **Article B.6.2.2 Stock Futures with physical delivery**

1. Before 9.00 am on the *Market* trading day following the maturity of the contract, *Euronext Clearing* shall communicate to each *Clearing Member*, through the *Reports*, and to the *Settlement Agent*, the amounts of shares in "consignment" (or in "withdrawal") to them, and the corresponding countervalue to be received (or paid).
2. The obligation to "consign" shares indicated at paragraph 1 shall be considered discharged by the *Member* where the underlying shares have been previously deposited, according to the provision of Article B.3.3.3.



## ***Heading B.6.2bis Final settlement of Positions of the Euronext Equity Derivatives Section with delivery of underlying assets***

### **Article B.6.2.1bis Options on individual shares**

1. Upon exercise or assignment, *Positions* in options are converted into individual cash transaction on the underlying *non-Derivative Financial Instrument*.
2. For the purpose of physical delivery, the Clearing Member shall, at the moment of onboarding, configure its accounts ensuring compliance with the segregation principles referenced in Chapter B.3 and B.4 of the *Regulations*. If the *Clearing Member* does not possess the necessary arrangements to fulfill the delivery obligations *concerning Positions on non-Derivative Financial Instrument*, it shall at the moment of onboarding either:
  - a. Identify, a Clearing Member active in the Euronext Equity Section
  - b. Identify a Settlement Agent with appropriate settlement arrangements.
3. *Euronext Clearing* shall communicate to each *Clearing Member*, through *Reports*, the amounts of securities to be posted or withdrawn, and the corresponding countervalue to be received or paid.

### **Article B.6.2.2bis Stock Futures with physical delivery**

1. At maturity date, *Positions* in futures are converted into *Positions* on the underlying *non-Derivative Financial Instrument*.
2. For the purpose of physical delivery, the Clearing Member shall, at the moment of onboarding, configure its account ensuring compliance with the segregation principles referenced in Chapter B.3 and B.4 of the *Regulations*. If the *Clearing Member* does not

possess the necessary arrangements to fulfill the delivery obligations *concerning Positions on non-Derivative Financial Instrument*, it shall at the moment of onboarding either:

- a. Configure, a Clearing Member active in the Euronext Equity Section.
  - b. Identify a Settlement Agent with appropriate settlement arrangements.
3. *Euronext Clearing* shall communicate to each *Clearing Member*, through *Reports*, the amounts of securities to be posted or withdrawn, and the corresponding countervalue to be received or paid.

## ***Heading B.6.3 Final settlement of differentials of Positions of the BITA Equity Derivatives Section and the Energy Derivatives Section***

### **Article B.6.3.1 Settlement of Positions of the BITA Equity Derivatives Section**

1. The settlement of the differential of *Positions* in options and futures on Stock Market indices and in stock futures with cash settlement is carried out on the *Euronext Clearing open day* following the day of maturity.

### **Article B.6.3.2 Settlement of Positions of the Energy Derivatives Section**

1. Settlement of the differential of the *Positions* of the *Energy Derivatives Section* is carried out on the *Euronext Clearing open day* following the last day of the *Delivery Period*.
2. If the last day of the *Delivery Period* falls on a day in which the market is closed, the settlement of the differential is made on the second *Euronext Clearing open day* following the last day of the *Delivery Period*.
3. In the event that the *Settlement Price* is communicated by the *Management Company* to *Euronext Clearing* after the *Euronext Clearing open day* preceding the day of settlement of the differential, it shall be settled on the *Euronext Clearing open day* following that on which the communication is received.

### ***Heading B.6.3bis Final settlement of differentials of Contractual Positions of the Euronext Equity Derivatives Section***

#### **Article B.6.3.1-bis Settlement of Contractual Positions of the Euronext Equity Derivatives Section**

1. The settlement of cash differentials related to *Positions* in options and futures is carried out on the *Euronext Clearing* open day following the expiry date (Expiry Date+1), pursuant the provisions of Chapter B.4.

#### **Article B.6.3.1-ter Settlement of Positions of the Euronext Commodity Derivatives Section**

1. The settlement of cash differentials related to *Positions* in options and futures is carried out on the *Euronext Clearing* open day following the expiry date (Expiry Date+1), pursuant the provisions of Chapter 4.

## ***Heading B.6.5 Final settlement of Positions and Positions in Delivery of the Euronext Commodity Derivatives Section***

### **Sub Heading B.6.5.1 General provisions**

#### **Article B.6.5.1.1 Preliminary provisions**

1. Pursuant to Article B.5.2.12 of the *Regulations*, the provisions of this Heading B.6.5 shall exclusively apply in respect to the *Positions and Positions in Delivery* constituted by transactions registered on commodity future contracts which relevant *Contractual Scheme* provides for final settlement through physical delivery of underlying commodity.
2. Provisions of this Heading B.6.5 shall be understood as general provisions evenly applicable to all commodity derivatives contracts which *Contractual Scheme* provides for physical delivery of *Positions in Delivery*. Such general provisions shall be read and understood in conjunction with the detailed provisions, as determined in the relevant *Annexes* related to physical delivery of each commodity contract and other *Annexes* related to the *Euronext Commodity Derivatives Section*.
3. Clearing Members intending to operate on commodity future contracts, for which Contractual Scheme foresees physical delivery of the underlying commodity, are responsible for the management of their contractual relationships with relevant stakeholders, including notably their Clients and Third Parties acting on the physical market. *Clearing Members* shall ensure that their *Clients* have been acquainted with general terms and conditions of relevant Third Parties involved on the physical market.

#### **Article B.6.5.1.2 General provisions applicable to the Approved Silos**

1. At any time, and based on motivated decision, *Euronext Clearing* may temporarily suspend or permanently exclude any entities from the list of *Approved Silos*, as made available in the relevant Annexes.

2. The list of Approved Silos authorised by *Euronext Clearing* to act on the delivery of commodity contract is made available from the relevant Annex.

#### **Article B.6.5.1.3 Approved Silo's sub-contracting**

1. When explicitly referred to in the relevant *Annex* dedicated to the physical delivery of each commodity contract, *Euronext Clearing* may, only upon prior and formal approval, authorize, on a permanent or temporary basis, Approved Silos to sub-contract with other entities.

#### **Article B.6.5.1.4 General provisions in respect to Contractual Scheme.**

1. In case of any discrepancies between the *Contractual Scheme* communicated by Euronext Clearing and the Contractual Scheme communicated by the Management Company operating the Euronext Commodity Derivatives Market (i.e. Euronext Paris SA), the latter shall, at any time, prevail.

#### **Article B.6.5.1.5 General provisions in respect to delivery documentation**

1. Unless otherwise specified, any documentation, form, or template referred to in these Instructions shall be submitted to Euronext Clearing through the use of the required system, *Euronext Inventory Management* (EIM) system.
2. In case of unavailability of EIM system, *Euronext Clearing* authorises Clearing members to submit documentation through back-up system (i.e. through e-mails).
3. In case of non-fulfilment of the above-mentioned obligation, in normal EIM system availability conditions, *Euronext Clearing* is entitled to apply to *Clearing Members* a penalty fee, as specified in *Euronext Clearing Price List*.

### **Article B.6.5.1.6 Timeframes**

1. Delivery takes place during the *Delivery Period* according to a theoretical calendar specific to each commodity future contract. Timetables are available from each relevant *Annex* applicable to the delivery process of each commodity future contract.
2. Time limits defined in these *Instructions* and in the relevant *Annexes* are compulsory. No extension of *Delivery Period* is authorised unless a *Justified Default* or exceptional circumstances are duly notified and acknowledged by Euronext Clearing.
3. The calendar of *Trading Day* is available from Euronext Paris SA.
4. Business days and working days during the physical delivery process are determined by the Delivery Places.
5. Business hours are defined as Rome local time.
6. The conditions to be fulfilled in order for a document or a sample of goods to be dated of the day are determined in the relevant Annex dedicated to each commodity contract.

### **Sub Heading B.6.5.2 Preliminary steps to physical delivery**

#### **Article B.6.5.2.1 Approved Silo's on-site inspection**

1. *Euronext Clearing* reserves the right to perform punctual on-site inspection of the underlying commodity stored in the name of the selling *Clearing Member and associated records*, without prior notice, within the premises of the relevant *Approved Silo*, during a time period, as specified in the relevant *Annex*.
2. When explicitly referred to in the relevant *Annex* dedicated to the physical delivery of each commodity contract, such on-site inspection is performed pursuant to the manner and timeline, as specified in the above-mentioned *Annex*.
3. For the purpose of performing such on-site inspection, *Euronext Clearing* reserves the right to mandate a third party, recognised as an expert by a recognised competent professional organisation acting on the specific commodity at stake.



### **Article B.6.5.2.2 Documentation and information to be submitted to Euronext Clearing before the contract's Expiry Day**

1. Clearing Members shall provide required pre-delivery documentation described hereafter to *Euronext Clearing* before the start of the *Delivery Period* (i.e. before the contract's Expiry Day), pursuant to the manner and timeline specified in each relevant *Annex* dedicated to the delivery of each commodity contract.

#### Communication of MATIF Storage Capacity

2. When explicitly specified in the relevant *Annex* related to each commodity contract, *Approved Silos* communicate their MATIF Storage Capacity on a daily basis to *Euronext Clearing*. Such information is communicated to *Euronext Clearing* pursuant to the manner and time limits specified in the above-mentioned *Annex*.

#### Communication of stored quantity of goods

3. When explicitly specified in the relevant *Annex* related to each commodity contract, *Approved Silos* communicate to *Euronext Clearing* the quantity of goods, satisfying quality criteria, which is stored in their storage capacities. Such information is communicated to *Euronext Clearing* pursuant to the manner and time limits specified in the above-mentioned *Annex*.

#### Coverage of selling Positions

4. *Clearing Members* shall submit the following pre-delivery documentation to *Euronext Clearing*, pursuant to the manner and timeline defined in the relevant *Annex* related to each commodity contract. Such pre-delivery documentation is issued and submitted to Euronext Clearing either by the *Approved Silo*, on behalf of the selling Clearing Member or by the selling Clearing Member, as specified in the above-mentioned relevant *Annex* related to each commodity contract.

5. Depending on the involved commodity contract, as specified in the relevant Annex, pre-delivery documentation may be constituted by:
  - Either a Storage Certificate along with an extract of Approved Silo's inventory accounting and an Attestation to Deliver a Conventional Product, if applicable to the underlying commodity at stake, in the case of physical delivery involving Approved Silos;
  - Either a self-declaration of inventory, in the case of underlying commodity which Contractual Scheme foresees physical delivery under FOB Incoterm.
6. With the above-mentioned pre-delivery documentation, the selling *Clearing Member* warrants to Euronext Clearing that it holds, for its own account or for the account of its *Clients*, , the quantity of underlying goods, which quality complies with the deliverable quality as defined in the *Contractual Scheme* issued by Euronext Paris SA.
7. As from the submission time limit applied to *Storage Certificate* or self-declaration of inventory, as defined in the relevant Annex related to each commodity contract, any selling *Position* shall, at all time, be covered by at least one *Storage Certificate* or one self-declaration of inventory corresponding exactly to such selling *Position* registered in *Euronext Clearing* accounts (i.e. same quantity of contracts, same quality of the goods, same *Clearing Members*, same *Clearing Member's Clients*).
8. Above mentioned pre-delivery documentation shall comply with *Euronext Clearing* standard templates, as available from the EIM system. Such documentation shall be completed and signed-off using the EIM system, or alternatively through the back-up solution (i.e. via emails) in case of EIM system unavailability.
9. In case of non-fulfilment of the above-mentioned obligation to attest coverage of the selling *Positions*, the selling *Clearing Member* is deemed to be in default, pursuant to Article B.5.2.14 and Article B.6.1.1 of the *Regulations*. Before the Expiry Day, *Euronext Clearing* is entitled to apply the penalties for late submission of

Storage Certificate and/or self-declaration of inventory, as determined in Euronext Clearing Price List.

#### Pre-delivery documentation cancellation

10. Once submitted to *Euronext Clearing*, any *Storage Certificate* or self-declaration of inventory may be cancelled by the selling *Clearing Member*, subject to prior approval from the *Approved Silo*, if applicable, and from *Euronext Clearing*. *Storage Certificates and self-declaration of inventory* may be cancelled, pursuant to the manner and time limits, as specified in the relevant Annex dedicated to each commodity contract.
11. Any cancellation of *Storage Certificate* arising after the 2<sup>nd</sup> *Trading Day* before *Expiry Day* (D-2) may give rise to a penalty fee, pursuant to Euronext Clearing Price List.

#### Disclosure of net number of valid Storage Certificates

12. Starting on from the specified *Trading Day* on which *Storage Certificate* shall be provided to Euronext Clearing until the *Expiry Day* included, Euronext Clearing shall publish for each contract's expiry, a report highlighting the net number of received valid *Storage Certificates* and the corresponding quantity of covered contracts. Such reporting is consolidated and communicated within the manner and time limits specified in the relevant Annex dedicated to each commodity contract.

### **Article B.6.5.2.3 Monitoring of Positions (netting of Positions and monitoring of Positions Limits)**

#### Netting of Positions

1. Pursuant to Article B.5.2.13 of the *Regulations*, *Clearing Members shall*, on a daily basis, net their *Positions* held for their own account and for the account of their *Clients*, on each specific commodity future contract until the contract's *Expiry Day* (D).
2. *Euronext Clearing* is entitled to charge any *Clearing Member* not fulfilling the above-mentioned obligation, with a penalty fee covering late netting of *Positions*, as determined in Euronext Clearing Price List.

3. Starting on the 12th *Trading Day* before the Expiry Day (D-12) until the Expiry Day (D), *Clearing Members* shall provide Euronext Clearing with a detailed statement of the Positions held on each specific commodity future contract for their own account and for the account of their Clients.

#### Monitoring of Positions Limits

4. Pursuant to Article B.4.4.1 of the *Regulations*, the provisions of Article B.4.4.1 of the Instructions fully apply in respect to the monitoring of *Positions size limits* and Positions variation limits held on commodity derivatives contracts, for which physical delivery is specified within the *Contractual Scheme*.

#### **Article B.6.5.2.4 Minimum quantity eligible to delivery**

1. Pursuant to Article B.5.2.15 of the *Regulations*, the minimum quantity eligible to delivery, as determined by Euronext Clearing, is defined for selling Position equal or higher than 10 lots of commodity contracts.
2. The minimum quantity eligible for delivery is calculated at *Position Account* level for each *Clearing Member's* Client (order-giver) activity and for the *Clearing Member's* own activity.
  3. To comply with the above-mentioned obligation, *Clearing Members* are required to either adjust or to close such selling *Position*, at the latest by the first *Trading Day* before *Expiry Day* (D-1) at 19.30 CET. Any selling *Clearing Member* not fulfilling the above-mentioned obligation is deemed to be in default in respect to such selling *Position*.
4. *Euronext Clearing* reserves the right, at any time on the Expiry Day, to close and liquidate any outstanding selling *Position* not complying with the minimum quantity eligible to delivery.

#### **Article B.6.5.2.5 Expiry Day (D)**

1. By the end of the *Expiry Day* (D), any net *Position* in Delivery gives rise to i) the obligation for the selling *Clearing Member* to deliver the underlying goods and ii) to the obligation for the buying

*Clearing* to pay the amount corresponding to the value of the underlying goods.

2. *Euronext Clearing* ensures that the net Positions in Delivery registered in the name of the selling *Clearing Member* for its own account and for the account of its *Clients* are covered by the received pre-delivery documentation as mentioned above.
3. On the Expiry Day (D), *Euronext Clearing* shall initiate the physical delivery process for any *Positions* in Delivery complying with the minimum quantity eligible for delivery (i.e. equal or higher to 10 lots of commodity contracts) and duly covered by the above-mentioned pre-delivery documentation.

#### **Article B.6.5.2.6 Selling Clearing Member's intention to deliver (Notification Notice) on Expiry Day (D)**

1. On the *Expiry Day* (D) before 19.30, the selling *Clearing Member*, acting for its own account or for the account of its *Clients* shall inform *Euronext Clearing* of its intention to deliver the underlying goods, by specifying the number of involved contracts by retained *Delivery Place* through the submission of a *Notification Notice*.
2. The *Notification Notice* shall comply with standard template established by *Euronext Clearing* and made available in the EIM system. Selling *Clearing Member* shall complete and submit the *Notification Notice* directly within the EIM system on D before 19.30.
3. The selling *Clearing Member* shall complete a *Notification Notice* per *Client* (order-giver), per *Delivery Place* and per transaction origin (House or Client).
4. A selling *Clearing Member* which designates a *Delivery Place* that is officially closed or unavailable or which have been withdrawn from the list by *Euronext Clearing*, shall be deemed to have failed to perform its delivery obligation, pursuant to Article B.6.1.1 of the Regulations.

### **Article B.6.5.2.7 Temporary counterparty matching on the Expiry Day (D)**

1. Pursuant to Article B.5.2.17 of the *Regulations*, on the *Expiry Day (D)* after clearing day closure at 19.30, *Euronext Clearing* shall perform, using an in-house algorithm within the EIM system, a temporary matching between buying *Clearing Member* and selling *Clearing Member* by allocating the quantity of goods eligible to delivery to each *Delivery Place*, as specified in the relevant Annex.
2. *Euronext Clearing* assigns *Delivery Places* to buying *Clearing Members* on a pro rata basis rule tailored to each underlying commodity as defined in the Annex dedicated to each commodity future contract. The matching of buying *Clearing Members* with selling *Clearing Members* takes place per *Delivery Place*, in decreasing order according to the number of their respective contracts to be delivered.
3. Such matching operations also include the quantity of commodities for which selling *Clearing Members* did not fulfil the obligation related to the submission of the *Notification Notice*. In such case, *Euronext Clearing* is entitled to determine the *Delivery Place*.
4. On the *Expiry Day (D)*, once temporary matches have been performed, *Euronext Clearing* shall communicate, through EIM system or by any means, the outcomes of the temporary matching, to each involved buying *Clearing Member* and selling *Clearing Member*.

### **Article B.6.5.2.8 Final counterparty matching and buying Clearing Member Agreement on the Trading Day following the Expiry Day (D+1)**

1. Pursuant to Article B.5.2.17 of the *Regulations*, on the Trading Day following the Expiry Day (D+1), buying *Clearing Members* may inform *Euronext Clearing* about their intention to exchange their respective assigned *Delivery Places* between each other's until a defined time limit as set out in the relevant Annex dedicated to each commodity future contract.
2. Such request shall be submitted by buying *Clearing Members*, using EIM system, by specifying for each *Delivery Place* exchange,

the corresponding matching number(s) and the number of involved contracts.

3. Pursuant to the arrangements made between buying *Clearing Members* and their *Clients*, buying *Clearing Members* shall immediately confirm to their *Clients* the *Delivery Place* exchange.
4. On the Trading Day following the Expiry Day (D+1), before a defined time limit as determined in the relevant *Annex* dedicated to each commodity contract, *Euronext Clearing* shall, through the EIM system or by any other mean, approve and communicate to *Clearing Members* and the relevant *Delivery Places*, the final list of counterparty matches, taking into account the above-mentioned changes. Such final list of matches determines the final quantity of goods to be delivered per Delivery Place and per counterparty.
5. Pursuant to Article B.5.2.17 of the *Regulations*, on the second Trading Day following the Expiry Day (D+2), before a defined time limit as determined in the relevant *Annex* dedicated to each commodity contract, *Clearing Members* may, under an amicable agreement, decide to exit the Guaranteed Delivery Procedure and may opt for an *Alternative Delivery Procedure*. In such case, *Clearing Members* shall submit a duly completed and signed Notice of Performance to *Euronext Clearing*, using EIM system.
6. In the case of silos-based delivery process, such Notice of Performance is also validated and signed by *Approved Silos*, using EIM system.

**Article B.6.5.2.9 Commitment to deliver/withdraw the goods: submission of Delivery Notice by Clearing Members to Euronext Clearing on D+3**

1. On the third *Trading Day* following the *Expiry Day* (D+3), before a defined time limit as determined in the relevant *Annex* dedicated to each commodity contract, the selling *Clearing Member* shall submit, through the EIM system, a duly completed and signed *Delivery Notice* to the buying *Clearing Members* that have been assigned to it.
2. The *Delivery Notice* materialises a commitment from the selling *Clearing Member* to deliver the specified quantity of commodity at



the assigned *Delivery Place* and from the buying *Clearing Member* to take delivery of the corresponding quantity of commodity at the assigned *Delivery Place*. The *Delivery Notice* shall comply with the standard template established by *Euronext Clearing* and made available in the EIM system. The *Delivery Notice* shall be completed and submitted in the manner and time limits, as specified in the relevant *Annex* dedicated to each commodity future contract.

3. The selling *Clearing Member* shall complete and submit, through the EIM system, a *Delivery Notice* for each buying *Clearing Member* per *Delivery Place*, pursuant to the conditions set out in each *Annex* dedicated to each commodity contract. The data mentioned by the selling *Clearing Member* on the *Delivery Notice* shall be consistent with the data previously provided in the *Notification Notice*.
4. Any buying *Clearing Member* shall accept the *Delivery Notice* submitted by the selling *Clearing Member* that has been assigned to it.
5. On the third Trading Day following the Expiry Day (D+3), before a defined time limit as determined in the relevant *Annex* dedicated to each commodity contract, each buying *Clearing Member* holding a *Delivery Notice*, already signed off by the selling *Clearing Member*, shall submit such *Delivery Notice* after formal sign off, through the EIM system, to *Euronext Clearing*.
6. Once the *Delivery Notice*, signed off by both the selling and the buying *Clearing Members*, has been received, *Euronext Clearing* shall, through the EIM system, communicate the final detailed delivery programme to the relevant *Delivery Places*, on D+3, before a defined time limit specified in each relevant *Annex* dedicated to each commodity contract.
7. When explicitly referred to in the *Annex* dedicated to each commodity contract, before a defined time limit specified in the above-mentioned *Annex*, the buying *Clearing Member* may request, via email, to *Euronext Clearing* an additional analysis on GMO content. In such case, *Euronext Clearing* shall, before the end of the day, appoint a relevant accredited Authoriser, pursuant to the manner specified in the above-mentioned *Annex*.
8. For the commodity contracts, for which physical delivery is performed under the FOB Incoterms in a *Delivery Port*, as specified

in the relevant *Annex* dedicated to each commodity contract, Euronext Clearing shall appoint a relevant accredited Authorisers to certify the loaded goods and to enable the transfer of such commodity at the designated Delivery Port.

### **Sub Heading B.6.5.3 Decision on the retained Delivery Procedure**

#### **Article B.6.5.3.1 Clearing Members opt out decision on retained delivery procedure**

1. Pursuant to Article B.5.2.18 of the *Regulations*, for all commodity contracts for which *Contractual Scheme* foresees physical delivery of the underlying commodity, selling Clearing Members and buying Clearing Members shall opt for one of the two following physical delivery procedures:
  - A *Guaranteed Delivery Procedure* (also known as "MATIF delivery procedure"), as referred to in Article B.1.1.3 of the *Regulations*, whereby *Euronext Clearing* guarantees the final settlement of the Positions in Delivery;
  - An *Alternative Delivery Procedure* (also known as "ADP"), whereby, in the case of amicable agreement on the delivery terms, the selling Clearing Member and the buying Clearing Member may exit from the *Guaranteed Delivery Procedure*.

#### **Article B.6.5.3.2 Triggering of Alternative Delivery Procedure**

1. Pursuant to Article B.5.2.18 of the *Regulations*, in the case of amicable bilateral agreement on the delivery terms, *Clearing Members* may jointly decide to exit from the *Guaranteed Delivery Procedure* by submitting a duly completed and signed *Notice of Performance*, in which the parties acknowledge fulfilment of their reciprocal obligations.
2. Such *Notice of Performance* shall comply with the standard template established by *Euronext Clearing* and made available in the EIM system.

3. For the amicable agreement to be considered by *Euronext Clearing*, both the selling *Clearing Member* and the buying *Clearing Member* shall jointly complete, sign off and submit the Notice of Performance to *Euronext Clearing*, directly within the EIM system, on the second Trading Day following the Expiry Day (D+2) before 19.30, at the latest.
4. When *Approved Silos* are involved in the delivery of the commodity contract, such *Notice of Performance* is also signed off by the relevant *Approved Silos*, within the EIM system, before being submitted to *Euronext Clearing*.
5. Upon receipt of such *Notice of Performance*, *Euronext Clearing Guarantee* shall terminate and, consequently the provisions related to *Guaranteed Delivery Procedure* become non applicable. *Delivery Margins* shall be fully released and returned to *Clearing Members* on the following Trading Day, being the third Trading Day following the Expiry Day (D+3).
6. Notwithstanding the above, such *Alternative Delivery Procedure* may exclusively be triggered on the second Trading Day following the Expiry Day (D+2) before 19.30, at the latest. Considering the above, any *Positions in Delivery*, for which no *Notice of Performance* have been duly submitted to *Euronext Clearing* within the above-mentioned time limit, shall be settled pursuant to the *Guaranteed Delivery Procedure*.
7. *Euronext Clearing* charges *Clearing Members* with fees related to the triggering of the *Alternative Delivery Procedure*, as determined in the *Euronext Clearing Price List*.

## **Sub Heading B.6.5.4 Guaranteed Delivery Procedure**

### **Article B.6.5.4.1 Common provisions**

1. Only common principles applicable to *Guaranteed Delivery Procedure* for all physically settled commodity future contracts are described hereafter:
  - *Guaranteed Delivery Procedure* common provisions;
  - Transfer of goods;

- Services provided by Approved Silos during physical delivery;
  - Services performed by accredited Authorisers during physical delivery;
  - Services performed by Analysis Laboratories during physical delivery;
  - Termination of the CCP Guarantee through the submission of the Notice of Performance/
2. The operational processes, delivery calendar and specificities pertained to each commodity future contract are specified in relevant Annex dedicated to each commodity future contract.
  3. The *Guaranteed Delivery Procedure* applies to buying *Clearing Members* and selling *Clearing Members* for all physically settled commodity future contracts, irrespective of the selected *Delivery Place*, the applicable Trading Terms and Conditions and the origin of the goods.
  4. Buying *Clearing Members* and selling *Clearing Members* are fully responsible for the delivery operations related to *their Positions in Delivery*.
  5. Delivery takes place during the *Delivery Period* according to a delivery timeline applicable to each commodity future contract as set out in the relevant Annex.

#### **Article B.6.5.4.2 Transfer of goods**

1. The transfer of risks of loss and damages on the goods and the transfer of ownership on goods take place according to the relevant Trading Terms and Conditions, as defined in relevant *Annex* dedicated to each commodity contract.
2. Above-mentioned transfers take place on a defined calendar day of the *Delivery Period* or during a specified time period as defined in the delivery timetables available from the *Annex* related to the physical delivery of each commodity future contract.
3. The modalities pertained to both types of transfers applicable to each commodity future contracts are defined in each commodity future contract's *Annex*.

## A- Guaranteed Delivery Procedure involving Approved Silos

### **Article B.6.5.4.3 – Approved Silo’s accreditation conditions.**

1. The conditions determined by *Euronext Clearing* to recognise a silo as an *Approved Silo* for the delivery of a specific commodity future contract are determined in an *Annex*.
2. The list of *Approved Silos* is available from an *Annex*.

### **Article B.6.5.4.4 – Services performed by Approved Silos**

1. For each in-silo transfer, as established in the delivery program established by *Euronext Clearing*, the *Approved Silo* transfers from the selling party’s account to the buying *party’s account* the goods, which quantity and quality comply with the information indicated in the transfer order.
2. Such transfer order is submitted by the selling *Clearing Member*, on behalf of its Client, to the *Approved Silo*, through the EIM system, on the day of transfer within the time limit as specified in the relevant *Annex*.
3. Within the time limits specified in the relevant *Annex*, upon reception of such transfer order, the *Approved Silo* transfers the goods from the account of the selling counterparty to the account of the buying counterparty within its books. This book-entry transfer materialises the transfer of risks of losses and damages on the goods.
4. For each executed in-silo transfer, the *Approved Silo* issues, a transfer note specifying the following items:
  - the identity of the *Approved Silo*;
  - the identity of the selling *Clearing Member* and its Client;
  - the identity of the buying *Clearing Member* and its Client;
  - the number of the Storage Certificate involved;
  - the contract’s Expiry Day;
  - the quantity of goods transferred;

- the origin of the goods transferred;
  - the quality of the goods transferred.
5. The *Approved Silo* indicates the quality of the goods to be transferred as follows:
- a) European Union origin: when the quality of the transferred goods corresponds, for each criterion, to the benchmark quality defined in the contract's specifications document issued by Euronext related to the relevant commodity future contract, the *Approved Silo* indicates "Matif benchmark quality" on the certificate of transfer, with no other comment;
  - b) When the goods do not correspond to one or more of the benchmark quality criteria but do correspond to the deliverable quality as defined in the contract's specifications document issued by Euronext related to the relevant commodity future contract, the *Approved Silo* indicates "deliverable quality" on the certificate of transfer and specifies values for the criterion or criteria not meeting the contract's benchmark quality as defined in the contract's specifications document.

When, based on one or more criteria, the goods stored by the selling *Clearing Member* that are due to be transferred, do not correspond to the deliverable quality defined in the contract's specifications document issued by Euronext related to the relevant commodity future contract, the selling *Clearing Member* is deemed to have failed to comply with its delivery obligation. In such a case, the *Approved Silo* undertakes not to proceed with the transfer and to promptly inform *Euronext Clearing* by any mean.

6. When applicable, if the results of the optional GMO analysis reveal an adventitious contamination exceeding the quality criteria defined in the contract's specifications, Euronext Clearing informs the *Approved Silo* by any mean, and the latter does not proceed to the in-silo transfer.
7. On the day of in-silo transfer, before a defined time limit as set out in the in the relevant *Annex*, the *Approved Silo* communicates the transfer note to the selling *Clearing Member*, the buying *Clearing Member* and to *Euronext Clearing*.

**Article B.6.5.4.5 – Responsibilities of the selling Clearing Member**

1. The selling *Clearing Member* is liable for ensuring that the goods are available in the designated *Approved Silo* on the transfer day and that their quantity and quality as well as the origin of the goods comply with the information provided in the corresponding *Notification Notice*.
2. The selling *Clearing Member* is deemed to be in default, if:
  - the goods stored in the designated *Approved Silo* are deemed as not deliverable;
  - the deliverable quantity and the delivery origin do not correspond to those indicated on the *Notification Notice*, or;
  - the quality and the origin of the goods do not correspond to those appearing on the Attestation to deliver a conventional product.
3. In order to execute the in-silo transfer, the selling *Clearing Member* shall submit the transfer order to the *Approved Silo*, on the day of transfer before a defined time limit as specified in relevant *Annex*. If the selling *Clearing Member* does not submit the transfer order in due time, it is deemed to have failed to perform its delivery obligation.
4. The following fees are charged by the *Approved Silos* to the selling *Clearing Member's Client*, in accordance with the *Approved Silo's* general terms and conditions:
  - fees for storing the goods from the time of Storage Certificate issuance until the time of the in-silo transfer;
  - fees for issuing and cancelling Storage Certificate(s);
  - fees covering in-silo transfer operations.
5. Such fees are paid to the *Approved Silos*, pursuant to the manner and time limits, as specified in the Annexes.



#### **Article B.6.5.4.6 - Responsibilities of the buying Clearing Member**

1. The buying *Clearing Member* shall release the *Approved Silo's* storage capacity at the latest by the last *Trading Day* of the delivery month or by any other calendar day specified in the *Contractual Scheme* before a time limit specified in the relevant *Annex* dedicated to each commodity contract. In case of non-fulfilment of the above-mentioned withdrawal obligation, such buying *Clearing Member* is deemed to be in default.
2. The following fees are charged by the *Approved Silos* to the buying *Clearing Member's Client*, in accordance with the *Approved Silo's* general terms and conditions:
  - fees for storing the goods as from the time of in-silo transfer until release of storage facility;
  - fees related to the withdrawal of the goods;
  - fees covering any late withdrawal of the goods (i.e. in case withdrawal occurs after the last *Trading Day* of the delivery month).
3. Such fees are paid to the *Approved Silos*, pursuant to the manner and time limits, as specified in the *Annexes*.

#### [B - Guaranteed Delivery Procedure for FOB delivery \(involving Authorizers and Analysis Laboratories\)](#)

#### **Article B.6.5.4.7 Role of Authorizers during Guaranteed Delivery Procedure – Authorizers accreditation conditions**

1. The conditions determined by *Euronext Clearing* governing the approval of an entity as an accredited *Authoriser* for the delivery of commodity future contract are detailed in an *Annex*.
2. The list of accredited *Authorisers* entitled to operate at *Delivery Ports* is determined in an *Annex*.
3. When explicitly mentioned in the relevant *Annex* dedicated to each commodity contract, *Euronext Clearing* shall appoint an accredited

*Authoriser* to supervise the good's loading taking place at the designated Delivery Port.

4. *Authorisers* enter into an agreement with *Euronext Clearing* under which they execute the certification of the goods' loading at *Delivery Ports* per commodity future contract as determined in the relevant Annex.
5. The Authoriser is responsible signing a contract with an Analysis Laboratory governing the terms and conditions for carrying out analysis services on goods samples. The Analysis Laboratory appointed by the Authoriser shall be accredited and duly referenced by the relevant supervising body for laboratories in the country of loading.

**Article B.6.5.4.8 Role of Authorizers during Guaranteed Delivery Procedure – Appointment of Authorizers**

1. *Euronext Clearing* commits to appoint one single *Authoriser* per *Delivery Port*, pursuant to the manner and time limits determined in the relevant Annex dedicated to each commodity contract.
2. *Euronext Clearing* shall provide a mandate, on the same day, to all the *Authorisers* acting at each *Delivery Port* or *Approved Silo*, as applicable and determined in relevant *Annex*, under which they will operate for the entire delivery process of the goods. The mandate given to *Authorisers* specifies the sampling procedures they will have to carry out and includes the following details for each commodity contract:
  - a) Identity of the selling *Clearing Member and of its Client*;
  - b) identity of the *Clearing Member's* and of its Client;
  - c) the point of loading in Delivery Port or the Approved Silo if applicable;
  - d) the notification number assigned by Euronext Clearing;
  - e) the total quantity delivered.
3. On the same day, a copy of the mandate given by *Euronext Clearing* is sent to the buying *Clearing Member* by e-mail and to the selling *Clearing Member*, and to the Approved Silo, if applicable.

4. *Euronext Clearing* reserves the right to attend the authorising operations either directly or through specifically designated commodity experts.

**Article B.6.5.4.9 Role of Authorizers during Guaranteed Delivery Procedure – buying Clearing Member’s responsibilities**

1. The buying *Clearing Member* shall determine the date of the loading within the defined timeframe, as specified in the relevant *Annex*, and hence is responsible for informing the Authoriser about:
  - a) the expected date of the loading;
  - b) the vessel’s identity;
  - c) the identity of buying *Clearing Member’s Client* (order-giver) which takes the goods;
  - d) any change in the loading process.
2. The buying *Clearing Member* shall ensure the designated Authoriser’s availability and attendance at *Delivery Port* on the planned loading day.

**Article B.6.5.4.11 Role of Authorizers during Guaranteed Delivery Procedure – provided services**

The Authorisers are in charge of the following services.

A - Validation of loading

1. The *Authoriser* shall be liable for:
  - a) allowing, monitoring and validating the loading of goods compliant with the criteria defined in the *Contractual Scheme*;
  - b) ensuring, during the loading process, that the good can be delivered by verifying that the good is healthy, fair, merchantable and of average quality, judging by its smell, appearance and weight.

2. In the case of an *Authoriser* appointed by *Euronext Clearing*, loading cannot take place without the attendance and validation of loading by such *Authoriser*.
3. If, during or after loading, the *Authoriser*, mandated by *Euronext Clearing*, ascertains that the good does not meet the criteria defined in the *Contractual Scheme* issued by Euronext Paris SA, the *Authoriser* shall immediately inform *Euronext Clearing* and the selling *Clearing Member* by e-mail.
4. For the delivery of commodity future contracts for which the *Authoriser* is appointed by *Euronext Clearing*, the *Authoriser* cannot validate the loading unless all the analysis results related to the quality are available. In such case, the buying *Clearing Member* is not entitled to later reject good which loading has been validated under the *Authoriser's* supervision.
5. After the loading and its validation, the *Authoriser* sends a authorisation report by email to:  
*Euronext Clearing*, This report specifies the results obtained for each of the quality requirements.

#### B – Certification of quantity of delivered good

6. The *Authoriser* ensures that the weighing system provided by the selling *Clearing Member* complies with the standards and works properly. The *Authoriser* checks the weight of the goods to be delivered.
7. In the event of a defect or malfunction in the weighing system, the *Authoriser* is entitled to choose any other weighing system which it considers to be more suitable, so that, whatever be the system used, the buying *Clearing Member* is not harmed in any way.

#### C – Certification of quality of delivered goods

9. During the loading process, the *Authoriser* ensures that the goods can be delivered by verifying the following quality criteria:
  - a) the good is sound, fair and of merchantable quality, judging by its smell and appearance;

- b) moisture content complies with the criteria defined in the *Contractual Scheme*, as specified in the relevant *Annex*;
- c) impurity content complies with the criteria defined in the *Contractual Scheme*, as defined in the relevant *Annex*, and;
- d) grading complies with the criteria defined in the *Contractual Scheme*, as defined in the relevant *Annex*.

#### D – Drawing of samples of delivered goods

10. The Authoriser constitutes:

- a) for each loading point, for each buying *Clearing Member*/selling *Clearing Member* pair, for each means of transport, and for each portion of 500 tonnes, an overall average reference sample, representative of the delivered goods, using the method described in the ISO 542 standard, as applicable and for the goods defined in the relevant *Annex*;
- b) for each transfer cell, for each buying *Clearing Member*/selling *Clearing Member* pair, a primary sample from the cell's global sample using the method described in the ISO 950 standard, as applicable and for the goods defined in the relevant *Annex*.

11. Thus, if the buying *Clearing Member* receives lots of goods from several selling *Clearing Members* during the same loading process, there will be as many samples as selling *Clearing Members*.

12. Except in the case where the Authoriser's companies are appointed by *Euronext Clearing* following the request for an optional analysis to detect GMOs, likewise, if the loading requires the use of several means of transport, samples will be drawn for each ship (truck or wagon, if alternative collection procedures are used).

#### E – Processing of samples

13. The conditions applying to samples processing are detailed in the relevant *Annex* as applicable per commodity future contract.

14. The samples are provided to the designated Analysis Laboratories, pursuant to the manner and time limits, as specified in the relevant *Annex* related to each commodity contract.

#### **Article B.6.5.4.12 Role of Analysis Laboratories during Guaranteed Delivery Procedure – Analysis Laboratories accreditation conditions**

1. The conditions determined by *Euronext Clearing* governing the approval of an *Analysis Laboratory* as an accredited Analysis Laboratory for the delivery of a specific commodity future contract are detailed in an Annex.
2. Analysis Laboratory must have signed a contract governing the terms and conditions for carrying out analysis services on commodities samples with an approved Authoriser.
3. Under the terms of the above-mentioned contract, the Analysis Laboratory is appointed by the approved Authoriser to perform analysis services on provided samples of commodities.

#### **Article B.6.5.4.14 Role of Analysis Laboratories during Guaranteed Delivery Procedure – Services and responsibilities of Analysis Laboratories**

The accredited *Analysis Laboratories* are in charge of the following services.

##### A - Analysis of the quality of the delivered goods

1. Quality assessment is performed according to a blind testing with no identifiable origin.
2. *Analysis Laboratories* systematically carry out the analysis detailed in the relevant *Annex*, on all samples provided, in accordance with the specified standards as referred to in the relevant *Annex*.
3. Upon the express request of the buying *Clearing Member* to *Euronext Clearing* formalised within the *Delivery Notice*, *Analysis Laboratories* may have to carry out, on certain samples, additional analysis in accordance with the methods described in specified standards as detailed in the relevant *Annex*.
4. Additional analysis are invoiced to *Euronext Clearing* on the basis of annual negotiated fees. *Euronext Clearing* fully invoices these

fees to the buying *Clearing Member*. The buying *Clearing Member* remains liable for the payment of those laboratory fees.

#### B - Analysis outcomes

5. The results of analysis are provided to the accredited Authoriser and to *Euronext Clearing* within a defined period of time, as determined in the relevant *Annex related to each commodity contract*.
6. Analysis results must meet the quality criteria set out in the *Contractual Scheme* for the relevant good, otherwise the selling *Clearing Member* shall be deemed to have failed to comply with its delivery obligations.
7. Analysis Laboratories are required to observe professional confidentiality obligations in connection with their analysis activities. No information relating to the assignment with which they are entrusted, to the analysis requested or to the results obtained, may be communicated to any third party, except after the approval by or further to a request formally expressed by the accredited Authoriser or by *Euronext Clearing*.
8. Upon receipt of the analysis results, *Euronext Clearing* shall communicate them to the buying *Clearing Member* and the selling *Clearing Member*.
9. If the quality of the delivered goods complies with the deliverable quality as specified in the *Contractual Scheme*, the buying *Clearing Member* shall provide to the selling *Clearing Member* a duly completed and signed *Notice of Performance*, through EIM system, on the first business day after receiving the analysis results. The selling *Clearing Member* shall countersign the *Notice of Performance* and submit it to *Euronext Clearing*, through EIM system or through email as back-up solution.
10. If the quality of the delivered goods does not comply with the deliverable quality as specified in the *Contractual Scheme*, the selling *Clearing Member* shall be deemed to have failed to perform its delivery obligation.



## **Sub Heading B.6.5.5 Cash payments under the Guaranteed Delivery Procedure**

### **Article B.6.5.5.1 Guaranteed Delivery management fee**

1. In the case that *Clearing Members* decide to perform physical delivery under the terms of the Guaranteed Delivery Procedure, *Clearing Members* are liable for the payment of Guaranteed Delivery management fees to Euronext Clearing.
2. On the third Trading Day after Expiry Day (D+3), Clearing Members shall pay the Guaranteed Delivery management fee for each contract that has given rise to a matching, as defined in Euronext Clearing Price List.

### **Article B.6.5.5.2 Payment of amounts due for the value of the goods**

1. Pursuant to Article B.5.2.20 of the *Regulations*, the buying *Clearing Member* remains liable for the payment of amounts for the value of the goods due against delivery.
2. For contracts which underlying good is delivered in Approved Silos, unless otherwise agreed, payment is made bilaterally between Clearing Members or their Clients, pursuant to the manner and time limits, as specified in the Annexes.
3. For contracts which underlying good is delivered through FOB terms:
  - a) Unless otherwise agreed, such payment is made bilaterally between Clearing Members or their Clients, pursuant to paragraph 1 of Article B.5.2.20 of the Regulations. In such case, invoicing and payment may be carried out under a two-step approach, as detailed below and further specified in the Annexes.
  - b) On the loading day (i.e. day on which the loading of the goods is carried out on the buyer's carriage means), the payment is performed, net, in cash and without discount, in return of the relevant documentation (i.e. bill of lading ("connaissancement") and provisional invoice corresponding to

100% of the value of the goods valued at reference quality and at Settlement Price).

- c) The above-mentioned provisional invoice may include the expenses incurred by the delay of one or other of the parties to the delivery.
- d) At the time of payment of such provisional invoice, the buying *Clearing Member* shall provide the selling *Clearing Member* with a duly completed and signed delivery confirmation receipt. Such form shall comply with the standard template issued by *Euronext Clearing* and made available from the EIM system and from the relevant *Annex*.
- e) On the Trading Day following payment of such provisional invoice, the selling *Clearing Member* shall submit to *Euronext Clearing* the duly completed and signed delivery confirmation receipt, through the use of EIM system. In the case of EIM unavailability, submission of such document shall be made according to the back-up solution, via email.
- f) The delivery confirmation receipt bearing the signature of the buying *Clearing Member* and the selling *Clearing Member* acknowledges fulfilment of delivery obligation and payment obligation as regard to the provisional invoice.
- g) On the third consecutive working day following the receipt of all laboratory analysis results, at the latest, the selling *Clearing Member* draws up for the buying *Clearing Member*, a final invoice which amount corresponds to the value of the goods actually delivered, taking into account the application of any reduction or bonuses.
- h) The payment of the balance due or the refund of amount paid with the provisional invoice must be settled by the buying *Clearing Member* and the selling *Clearing Member*, respectively, at the latest on the third consecutive working day from the date of receipt of the final invoice.
- i) Upon fulfilment of the above-mentioned payment obligations as regard to the final invoice, the termination of the CCP guarantee occurs upon reception by *Euronext Clearing* of the duly completed and signed *Notice of Performance*. Such

*Notice of Performance* shall be submitted to *Euronext Clearing*, under the manner and time limits specified in the relevant *Annex* dedicated to each commodity contract.

#### **Article B.6.5.5.3 – Payment of fees owed to Approved Silos**

1. Clearing Members, on behalf of their Clients, remain liable for the payment of fees issued by Approved Silos for the services provided as part of the Guaranteed Delivery Procedure, as specified above in Articles B.6.5.4.5 and B.6.5.4.6.

#### **Article B.6.5.5.4 Payment of fees owed to Authorisers and Analysis Laboratories**

1. *Clearing Members, on behalf of their Clients*, remain liable for the payment of fees owed to Authorisers and *Analysis Laboratories* for the services provided during the delivery.
2. The costs incurred by such third parties are invoiced to *Euronext Clearing* based on the annual negotiated rates. Based on the received invoices from such third parties, *Euronext Clearing* issues an invoice to the buying *Clearing Member* and to the selling *Clearing Member* on an equal basis at the actual cost incurred to Euronext Clearing.

#### **Article B.6.5.5.5 Termination of CCP Guarantee through the provision of the Notice of Performance**

1. Upon fulfilment of all the above-mentioned *Clearing Members'* obligations, the termination of the CCP Guarantee arises upon reception and acknowledgement by *Euronext Clearing* of the duly completed and signed *Notice of Performance*. By signing the *Notice of Performance*, *Clearing Members* acknowledge the fulfilment of their reciprocal delivery and payment obligations.
2. The receipt of such duly completed and signed *Notice of Performance* acknowledges the final settlement of the Positions in Delivery.

3. The *Notice of Performance* shall comply with the standard template established by *Euronext Clearing* and made available within the EIM system.

## **Sub-Heading B.6.5.6 Specific Margins called under the Guaranteed Delivery Procedure**

### **Article B.6.5.6.1 - Delivery Margins**

1. Pursuant to Article B.4.1.1 of the *Regulations*, *Euronext Clearing* calculates *Delivery Margins* based on net Positions valued at Settlement Price on the *Expiry Day* (D) and call such *Delivery Margins* from Clearing Members on the Trading Day following the Expiry Day (D+1).
2. *Delivery Margins* are released and returned to *Clearing Members* on the *Trading Day* following the termination of the *CCP Guarantee*, acknowledged by the receipt of the duly completed and signed off *Notice of Performance*.

### **Article B.6.5.6.2 - Supplementary Delivery Margins**

1. At any time until reception of the *Notice of Performance*, *Euronext Clearing* reserves the right to call for the immediate payment of supplementary *Delivery Margins* from *Clearing Members*.
2. Supplementary *Delivery Margin* is released upon reception by *Euronext Clearing* of the *Notice of Performance*, materialising the termination of the *CCP Guarantee*.

## **Sub-Heading B.6.5.7 Non fulfilment of delivery and payment obligations as part of the Guaranteed Delivery Procedure**

### **Article B.6.5.7.1 Nonfulfillment of delivery and payment obligations in case of Justified Default**

1. Pursuant to Article B.6.1.2-bis of the *Regulations* related to *Justified Default*, the following provisions set forth the procedures under which a party can invoke force majeure and the principles governing its resolution.
2. The party invoking force majeure as a hindrance to delivering or receiving all or part of the commodity, shall immediately send an e-mail to its counterparty and to *Euronext Clearing* explaining the nature of such hindrance, its likely duration and the tonnage concerned. When the hindrance ceases to exist, the party invoking force majeure shall inform its counterparty and *Euronext Clearing* thereof by email within two (2) working days.
3. In the event of disagreement concerning the nature of the event and/or the duration of the hindrance, the parties can bring the matter before the Competent Arbitration Court or the relevant competent jurisdiction, as the case may be. If the Competent Arbitration Court or the relevant competent jurisdiction, as the case may be, reaches a final decision that a party has wrongly invoked force majeure, such party shall be deemed to have failed to perform its obligation. In such a case, the provisions herein shall be superseded by the provisions related to procedures in case of delivery failure.
4. In case of unforeseeable events preventing definitively the delivery of the goods, the contract will be terminated for the quantity to be executed.
5. If the event is temporarily (strike, lock-out, temporarily impossibility to load) the periods to make the goods available or the transfer of possession are then extended, without any claim for penalty or raise in price being admitted until third business day following the end of the said hindrances. The duration of this extension period is provided in the relevant Trading Terms and Conditions and may not exceed 30 calendar days; or the transfer of goods will be extended to the first Trading Day following the end of this hindrance and the payment deadlines and the remittance of documents will be extended accordingly.
6. If the hindrance exceeds the last Trading Day of the delivery month as extended, the contract shall be terminated for the quantity remaining to be executed.

7. In case of agreement between the parties, and pursuant to the procedures proposed by them, the removal of the goods is done either by departure by rail, either departure by road, or by any other possible means of removal. In the absence of agreement between the parties, *Euronext Clearing* may propose the removal of the goods in accordance with the above-mentioned procedures. In such a case, *Euronext Clearing* indicates the conditions applying to the counterparts in connection with the evacuation means.
8. In case no agreement can be found between the parties, pursuant to Article B.6.1.2 bis of the *Regulations*, final settlement of *Positions in Delivery* shall be performed according to Article B.6.2.1-*undecies* and Article B.6.2.1-*duodecies* of the *Regulations* and in the manner set forth in the below *Articles*.

**Article B.6.5.7.2 Nonfulfillment of delivery and payment obligations in case of default on Position to Delivery – general provisions**

1. Pursuant to Article B.6.2.1-*undecies* of the *Regulations*, the following provisions set forth the terms and conditions applicable in cases of non-fulfilment of *Clearing Members* obligations during the physical delivery procedure.
2. The party suffering from the default of another party during the *Delivery Period* shall inform *Euronext Clearing* by e-mail confirmed later by a registered letter. Default is established as soon as it is recorded by Euronext Clearing, without notice being needed.

**Article B.6.5.7.3 Default of the buying Clearing Member during the Delivery Period**

1. Once it is established that the buying *Clearing Member* has failed to fulfil its obligations, pursuant to Article B.6.2.1 -*undecies* of the *Regulations*, *Euronext Clearing* undertakes the following actions pursuant to Article B.6.2.1.-*duodecies*:
  - a) informs the selling *Clearing Member* of the buying *Clearing Member's* default;
  - b) retains the *Margins* of the defaulting buying *Clearing Member*;

- c) authorises the selling *Clearing Member* to sell the goods on the physical spot market, under the conditions set out in the relevant applicable Trading Terms and Conditions, as determined in the relevant *Annex*. Such sale on the physical market shall be carried out within a limited time period of seven (7) working days.
2. Pursuant to Article B.6.2.1-*duodecies*, of the *Regulations*, *Euronext Clearing* pays a cash compensation to the selling *Clearing Member*, which is made up of the two following elements:
- a) in exchange of a certified copy of the purchase contract on the physical market, the difference between the Settlement Price and, if it is lower, the selling price of the goods on the physical market, if applicable;
  - b) a penalty fee which may be charged by *Euronext Clearing* to the defaulting buying *Clearing Member*, the amount of which is set at 10% of the difference between the value of the goods at the *Settlement Price* and the value of the goods at the effective selling price on the physical spot market. This penalty is intended to indemnify the selling *Clearing Member*, after deduction of the amount corresponding to the costs and expenses incurred by *Euronext Clearing*.
3. *Euronext Clearing* returns the remaining *Margins* to the buying *Clearing Member*, if any, after deduction of the above-mentioned price differential and deduction of the above-mentioned penalty. *Euronext Clearing* returns its *Margins* to the selling *Clearing Member*.

#### **Article B.6.5.7.4 Default of the selling Clearing Member during the Delivery Period**

##### A – Failure to deliver the goods

1. Once the failure of the selling *Clearing Member* is established pursuant to Article B.6.2.1-*undecies* of the *Regulations*, *Euronext Clearing* undertakes the following actions pursuant to Article B.6.2.1-*duodecies*:
- a) informs the buying *Clearing Member* of the selling *Clearing Member's* default;



- b) retains the *Margins* of the defaulting selling *Clearing Member*;
  - c) authorises the buying *Clearing Member* to buy the goods on the physical market, under the conditions set out in the relevant applicable Trading Terms and Conditions, as determined in the relevant *Annex*. Such purchase on the physical market shall be carried out within a, within a limited time period of seven (7) working days.
2. Pursuant to Article B.6. 2.1-*duodecies* of the *Regulations*, *Euronext Clearing* pays a cash compensation to the buying *Clearing Member*, which is made up of the two following elements:
- a) in exchange of a certified copy of the purchase contract on the physical market, the difference between the *Settlement Price* and, if it is higher, the purchase price of the goods on the physical market, if applicable;
  - b) a penalty fee which may be charged by *Euronext Clearing* to the defaulting selling *Clearing Member*, the amount of which is set at 10% of the difference between the value of the goods at the *Settlement Price* and the value of the goods at the effective buying price on the physical spot market. This penalty is intended to indemnify the buying *Clearing Member*, after deduction of the amount corresponding to the costs and expenses incurred by *Euronext Clearing*.
3. *Euronext Clearing* returns the remaining *Margins* to the selling *Clearing Member*, if any, after deduction of the above-mentioned price differential and after deduction of the above-mentioned penalty. *Euronext Clearing* returns its *Margins* to the buying *Clearing Member*.

B – Failure to deliver goods compliant with the required quality criteria:

- 4. If the goods, after analysis, do not comply with the quality criteria defined in the Contractual Scheme, the selling *Clearing Member* is deemed to have failed to perform its obligations, pursuant to Article B.6.2.1-*undecies* of the *Regulations*.
- 5. In such a case, *Euronext Clearing* retains the *Margins* of the selling *Clearing Member* until:

- a) submission of the *Notice of Performance* or after amicable agreement between the parties or after settlement of the dispute before the Competent Arbitration Court or the relevant competent jurisdiction, as the case may be,; and
- b) payment by the selling *Clearing Member* of a penalty which amount depends on the amicable agreement made between the parties or the decisions of the Competent Arbitration Court or the competent jurisdiction, as the case may be, called to settle the dispute.

## **CHAPTER B.7 Fail, Buy-In and Sell-Out**

### **Heading B.7.1 Fail and Buy-in for BITA Sections**

#### **Article B.7.1.1 Management of *Failed Positions* in the *Cash and Derivative Sections***

1. Clearing in each of the accounts indicated at Article B.3.1.2 of the *Regulations* shall not apply to *Failed Positions*, with the exception of the provisions stated in paragraph 6.
2. *Failed Positions* are registered into accounts indicated at Article B.3.1.2 of the *Regulations* according to the rules indicated at Annex B.711.
3. *Euronext Clearing* delivers the *Non-Derivative Financial Instruments* to the *Member* in bonis when the failed entries are settled within the terms and by the methods indicated in Articles B.7.1.2 and B.7.1.3.
4. *Euronext Clearing* may defer the "end of validity" of the settlement failed instruction if, on the "end of validity date" the conditions to enable the execution of the *Buy In* indicated in Article B.7.1.3, do not exist since, taking into account the matching mechanism performed by the instructions of the Settlement System, at the instruction of the in bonis *Member* does not correspond an instruction of an in malis *Member*, or when in correspondence of the failed instruction has been settled an instruction of the same *Member* with following settlement date on the same *Non-Derivative Financial Instruments*. In this latter case *Participants* shall forward to *Euronext Clearing* the request for deferral using Annexes B.711A, B.711B, B713F e B713G. *Euronext Clearing* shall inform

the *Member* of the modification of the terms and methods of delivery of the *Non-Derivative Financial Instruments*.

5. In order to reduce financial risk and in extraordinary cases, where *Euronext Clearing* does not succeed in delivering *Financial Instruments* withdrawn in the *gross settlement* process due to a settling counterparty's lack of cash, *Euronext Clearing* may cancel or request the company that manages the *Settlement Services* to suspend all further *Financial Instrument* delivery operations in favour of the said counterparty, possibly including the suspension of *Financial Instrument* withdrawal operations from other settlement counterparties for quantities commensurate with the suspended delivery operations.
6. In exceptional cases, according to the terms and methods communicated by *Euronext Clearing*, as a general rule or on case-by-case basis, the compensation of *Failed Positions* of the same *Member* will be allowed if:
  - a) the settlement date of the receive transaction is prior to the settlement date of the delivery transaction;
  - b) the settlement date of the delivery transaction is prior to the settlement date of receive transaction, if the delivery transaction is originated by an early exercise of a short call option and the settlement date of the receive trade is originated by a trade executed the following day when the market is open.

### Article B.7.1.2 Activation of Buy-In procedure

1. Pursuant to Article B.5.3.2 of the Regulations, where *Failed Positions* are not settled due to failure to fulfill the obligation to deliver *Non-Derivative Financial Instruments* on the settlement date provided by the *Contractual Scheme*, *Euronext Clearing* notifies the activation of *Buy-in Procedure* to the *Clearing Member* affected by the *Failed Positions* by means of a report:
  - a) the *Euronext Clearing open day* following the settlement date (S+1) for shares of the *Share Section* and the *Equity Derivatives Section*;
  - b) the fourth *Euronext Clearing open day* following the settlement date (S+4) for *Financial Instruments* of the *Share Section* other than shares (convertible bonds, warrants, units of close-end funds, units of open-end funds, securitized derivatives financial instruments);
  - c) the seventh *Euronext Clearing open day* following the settlement date (S+7) for *Financial Instruments* of the *Bond Section* and for the *ISCD Bond Section*.
  
2. Without prejudice to the provisions of the following paragraphs, *Failed Positions* in the *Share and Derivative Sections* must be settled within the fourth *Euronext Clearing open day* following the date of settlement provided in the *Contractual Scheme* (S+4) for *Financial Instruments* referred to in paragraph 1, letter a); the seventh *Euronext Clearing open day* following the date of settlement provided in the *Contractual Scheme* (S+7) for the *Financial Instruments* referred to in paragraph 1, letter c); the tenth *Euronext Clearing open day* following the date of settlement provided in the *Contractual Scheme* (S+10) for the *Financial Instruments* referred to in paragraph 1, letter d). For financial instruments of the *ICSD Bond Section*, *Euronext Clearing* may set a different time limit taking into account the open days of the payment systems of the currencies other than euro.
  
3. In cases of urgency and for the purposes of protecting the System, *Euronext Clearing* may proceed to execution of the *Buy-In* starting on the *Euronext Clearing open day* following that of failure to fulfil the obligation to deliver (S+1). In cases where the *Positions in Fail* involve *Non-Derivative Financial Instruments* that are considered unavailable, *Euronext Clearing* may proceed to cash settlement

starting on day S+1, pursuant to Article B.7.1.3, paragraph 10, informing promptly the interested Members and Settlement Agents.

4. Provisions of this Article do not apply to *Positions* on option rights resulting from the corporate actions management of *Non-Derivatives Financial Instruments Fail* object of *Fail Positions*.

### **Article B.7.1.3 Execution of the Buy-In procedure**

1. Without prejudice to the provision of Article B.7.1.2, paragraph 3, and when *Euronext Clearing* postpone the *Buy-In* execution to allow the *Buyer Protection* exercise, if the *Failed Position* is still not settled within the date indicated in Article B.7.1.2, paragraphs 2, *Euronext Clearing* shall proceed with the *Buy-In* on the following market day notifying the *Members* concerned by means of a report and appointing a *Buy-In Agent* pursuant to Article B.7.1.8.
2. Exclusively in the *Cash and Derivative Sections*, before proceeding to the execution of the *Buy-In*:
  - a) *Euronext Clearing* allows the in bonis *Clearing Member* to compensate the *Failed Positions* related to the same *Non-Derivatives Financial Instruments* having:
    - settlement date of the withdrawal preceding the settlement date of the delivery by no more than two *Euronext Clearing open days*;
    - settlement date of the withdrawal preceding the settlement date of the delivery by no more than three *Euronext Clearing open days*, exclusively for *Non-Derivatives Financial Instruments* for which the *Contractual Scheme* provides that the settlement takes place the third *Euronext Clearing open day* after the trading day;
    - settlement date of the delivery preceding the settlement date of the withdrawal, in case the delivery has been generated by an early assignment on a short call option and the withdrawal by an operation concluded on the following open market day;
  - b) the request of compensation can be submitted only on the end of validity date of the first one between the two *Fail Positions* which are meant to be compensated, according to

the modalities indicated in the Annex B.713 and using the form at the Annex B.713A;

- c) the request of compensation indicated at letter b) can be submitted by the *Settlement Agent*, in case the latter had been delegated by the *Clearing Member*; for this purpose, the *Clearing Member* submits to *Euronext Clearing* the form at the Annex B.713B, in original anticipated via *ICWS* or, in the event of its malfunction, via fax;
- d) in case the management of the compensation has been delegated to a *Settlement Agent* by the *Clearing Member*, the *Settlement Agent* should advise *Euronext Clearing* about the persons authorised to undersign the request in the Annex B.713A, through the form at the Annex B.713C;
- e) in case the delivery having a settlement date following the one of the withdrawals had a nominal and/or countervalue higher than the withdrawal, *Euronext Clearing* shall submit into the *Settlement* an instruction for the residual;
- f) the possible cash residual arising from the compensation for the *Non-Derivatives Financial Instruments* which are settled in euro is paid by the *Clearing Member* or by *Euronext Clearing* within the *Daily Settlement* of the *Euronext Clearing open day* following the one when the compensation has taken place; for the *Non-Derivative Financial Instruments* which are settled in currency other than euro, the cash residual is paid by the *Clearing Member* or by *Euronext Clearing* within the *Daily Settlement* of the *Euronext Clearing open day* following the one on which *Euronext Clearing* communicates to the *Clearing Member* the value in euro of the cash residual, unless differently agreed by the parties;

### 3. Within the *Buy-In* procedure:

- a) *Euronext Clearing* reserves the right to accept the delivery of the *Financial Instruments*, by the *Clearing Member* in fail, upon his request, also in the period foreseen for the execution of the *Buy-In*, according to the timing and the methods provided in Annexes B713D1, B713D2, B713E, B713F e B713G;
- b) *Euronext Clearing* shall confer to the *Buy-In Agent* the order to buy, to the detriment of the *Clearing Member* in fail, the *Non-Derivatives Financial Instruments* not delivered by the

latter by requiring the company that manages the *Settlement Services* to remove the failed settlement instructions;

4. If the Buy-In Agent does not succeed in buying the *Financial Instruments* the day *Euronext Clearing* has conferred the order referred to in paragraph 3, letter b), or only partially succeeds in doing so, he or she may buy them up to the second subsequent market day except in case of differing instructions from *Euronext Clearing*.
5. *Euronext Clearing* shall inform the following parties by means of a report:
  - a) *Members* in fail and in bonis of the status of the *Buy-In procedure*;
  - b) *Members* on the amount in euro that must be paid to *Euronext Clearing* or that shall be received by *Euronext Clearing* if the countervalue of the *Non-Derivative Financial Instruments* bought by the *Buy-In Agent* is greater/lower than that of the original contracts, pursuant to Article B.5.3.2 of the Regulations.
6. *Euronext Clearing* receives the *Non-Derivative Financial Instruments* from the Buy-In Agent and delivers them to the *Member in bonis* on the settlement day equal to that of the *Non-Derivative Financial Instruments* bought by the Buy-In Agent.
7. The *Non-Derivative Financial Instruments* subject to Buy-In are delivered starting from *Members* in bonis, also partially and in more than one settlement day, who are to receive a lesser quantity.
8. The amount set out at paragraph 5, letter 4.b) must be paid by the *Member* affected by the *Failed Positions* to *Euronext Clearing* in the context of the *Daily Settlement* of the *Euronext Clearing* open day following that on which *Euronext Clearing* communicates to the *Clearing Member* the value of the amount.
9. If the countervalue of the *Non-Derivative Financial Instruments* bought by the Buy-In Agent is smaller than that of the original contracts, the difference shall be recognized to the *Member* in bonis.



10. If the *Buy-In Agent* does not succeed in buying the *Non-Derivative Financial Instruments* within the time frame provided by paragraph 4, *Euronext Clearing* shall consider the said *Non-Derivative Financial Instruments* to be objectively unavailable, and shall proceed with respect to the *Member in bonis*, as provided by the Annex B.713H, to arrange for cash settlement, the amount of which shall be charged to the *Member* affected by the *Failed Positions*. *Euronext Clearing* shall notify *Members* affected by the *Failed Positions* and in bonis of the method for determining the amount subject to cash settlement. This paragraph does not apply if the in bonis *Clearing Member* request *Euronext Clearing* not to provide the cash settlement in order to exercise the *Buyer Protection*; the request has to be notified to *Euronext Clearing* within the timeline and according to the form specified in Annex B.713H-bis.
11. The cash settlement indicated at paragraph 10 shall occur in the context of the *Daily Settlement* of the *Euronext Clearing* open day following that on which the *Buy-In Agent* has been able to buy the *Non-Derivative Financial Instruments* or for the *Non-Derivative Financial Instruments* which are settled in currency other than euro, within the *Daily Settlement* of the *Euronext Clearing* open day following the one on which *Euronext Clearing* communicates to the *Clearing Member* the value in euro of the amount of the cash settlement.
12. Pursuant to Article B.5.3.2 of the *Regulations*, *Euronext Clearing* shall notify the *Member* affected by the *Failed Positions* of the costs incurred in the management of the *Buy-In Procedure*, which must be paid by the *Member* affected by the *Failed Positions* in the context of the *Daily Settlement* of the *Euronext Clearing* open day following that in which the notification was sent.
13. For the purposes of executing the *Buy-In* procedure, account shall be taken of the impact of the capital operations or operations of a general character indicated at Article B.3.1.6 of the *Regulations*.

#### **Article B.7.1.4 Buy-In procedure for Failed Positions of the Special Clearing Member**

1. Where the defaulting counterparty is a member of the *Special Clearing Member* of the *Bond Section*, the *Buy-In* is carried out by the *Special Clearing Member* within the timescale indicated at Article B.7.1.3, by its own methods. *Euronext Clearing* shall

proceed to deliver the *Non-Derivative Financial Instruments* received from the *Special Clearing Member* to the *Member*, or, in the event of partial delivery or failure to deliver, to cash settlement.

2. The delivery, including partial delivery of the *Non-Derivative Financial Instruments* to the *Member* in bonis, shall take place, respecting the priority indicated at Article B.7.1.3, paragraph 7 after the cash/*Financial Instruments* balance is settled with the *Special Clearing Member*.
3. The cash settlement between *Euronext Clearing* and the member in bonis shall occur in the day on which the cash settlement between *Euronext Clearing* and the *Special Clearing Member* occurs.

## **Heading B.7.2 Fail and Buy-in for Euronext Equity Section**

### **Article B.7.2.1 Management of Failed Positions for Euronext Equity Section**

1. Failed Positions shall be settled within the timeframe set out in the Instructions
  - a) by the fourth Euronext Clearing open day following the settlement date (L+4), for shares of the Euronext Equity Section other than shares issued by ETFs;
  - b) by the seventh Euronext Clearing open day following the settlement date (L+7), for all *Financial Instruments* of the Euronext Equity Section other than shares listed under letter a);
2. In cases of urgency, for the purpose of protecting the interest of the *System*, *Euronext Clearing* may proceed with the execution of the *Buy-In Procedure* starting from the Day of Euronext Clearing opened following that of non-fulfilment of the obligation of "delivery" (L + 1). In cases where the *Positions in Fail* concern *Financial Instruments* considered untraceable, Euronext Clearing may proceed from L+1 to the cash settlement, in accordance with the provisions of Article B.7.2.3, paragraph 3, promptly informing the Clearing Members and the Settlement Agents concerned.

3. In order to reduce financial risk and in extraordinary cases, where *Euronext Clearing* does not succeed in delivering *Financial Instruments* withdrawn in the settlement process due to a settling counterparty's lack of cash, *Euronext Clearing* may cancel or request the company that manages the *Settlement Services* to suspend all further *Financial Instrument* delivery operations in favour of the said counterparty, possibly including the suspension of *Financial Instrument* withdrawal operations from other settlement counterparties for quantities commensurate with the suspended delivery operations.
4. *Failed Positions* are registered within a dedicated *Position Account* identified by the *Clearing Member*. By default, the CCP shall register *Failed Positions* pursuant to the following rules:
  - a) in case of only one *Position Account* linked to a single *Delivery Account*, failed *Positions* are registered within said *Position Account*;
  - b) in case of NOSA and GOSA *Structures*, in case of several *Client Position Accounts* linked to a single *Delivery Account*, *Failed Positions* are in a dedicated additional *Position Account*. In case of GOSA *Structures*, the additional *Position Account* dedicated to *Failed Positions* shall be linked to a separate additional *Margin Account*.
  - c) in case of several *House* and *Client Position Accounts* linked to a single *Delivery Account*, *Failed Positions* are registered within a dedicated *House Position Account*.

#### **Article B.7.2.2 Buy-in Procedure for Euronext Equity Section**

1. *Euronext Clearing* shall carry out the *Buy-In Procedure* with respect to *Failed Positions* that are not settled within the deadline referred to in article B.7.2.1 paragraph 1, except in the cases provided in paragraph 5 of this Article.
2. *Euronext Clearing* shall activate the *Buy-in Procedure* by notifying the *Member in Fail*:

- a) by the fifth Euronext Clearing open day following the settlement date specified in the *Contractual Scheme* (L+5) for the *Financial Instruments* referred to in Article B.7.2.1, paragraph 1, letter a);
- b) by the eighth *Euronext Clearing* open day following the settlement date specified in the *Contractual Scheme* (L+8) for the *Financial Instruments* referred to in Article B.7.2.1, paragraph 1, letter b);

Euronext Clearing may modify the deadline mentioned above in case of corporate actions.

3. Following the notice referred to in the paragraph above, the *Clearing Member*, or its *Settlement Agent*, in *Fail* may commit to deliver the *Financial Instruments* by the deadline specified in Annex B.722. Delivery to *Euronext Clearing*, after the above-mentioned deadline is always allowed provided that the *Buy-in Agent* has given its prior consent. In case the *Clearing Member in Fail* does not deliver the securities by the deadline specified in the Annex B.722 and the execution period has expired *Euronext Clearing* performs the cash settlement. This paragraph does not apply if the in bonis *Clearing Member* requests *Euronext Clearing* not to provide the cash settlement in order to exercise the *Buyer Protection*; the request has to be notified to *Euronext Clearing* within the timeline and according to the form specified in Annex B.713H-bis.
4. On the date of activation of the *Buy-in Procedure*, *Euronext Clearing* shall request the *Settlement Services* to suspend the settlement of the *Failed Positions*.
5. *Euronext Clearing* shall not activate the *Buy-in Procedure* in the following cases:
  - a) if the financial instruments subject to the *Position in Fail* no longer exist;
  - b) in the event of unavailability, based on the criteria set out in the *Instructions*.

*Euronext Clearing* shall calculate the amount of the cash settlement taking into account the values determined with the methods specified in the Annexes.

6. The payment of cash settlement in accordance with this Article shall be made within the next *Euronext Clearing open day*. For this purpose, Euronext Clearing inputs settlement instructions for cash within the Settlement System. This provision shall also apply if the events described in letters a) and b) of paragraph 5 occur after the activation of the *Buy-in Procedure*.

### **Article B.7.2.3 Execution of the Buy-in for Euronext Equity Section**

1. For the purpose of execution of the *Buy-in*, *Euronext Clearing* requests the *Settlement Services* to cancel the settlement instructions and, in the case of partial execution, shall enter new *Failed Positions* for the part not executed. The cancellation and the entering of settlement instructions are performed at the end of each business day of *Buy-in* execution.
2. *Euronext Clearing* shall notify the results of the *Buy-In*. The notification referred to in this paragraph includes also the amount of the price difference. If the buy-in price is higher than the original price of the *Position in Fail*, the difference will be debited to the *Failing Clearing Member*. If the buy-in price is lower than the original price of the *Position in Fail*, the difference will be credited to the failing seller Clearing Member.
3. If the *Buy-In Agent* is not able to purchase all or part of the *Financial Instruments* by the following deadlines:
  - a) the first *Euronext Clearing open day* after the triggering of the buy-in procedure for liquid shares;
  - b) the third *Euronext Clearing open day* following after the triggering of the buy-in procedure for all other Financial Instruments other than those referred under letter a).

Euronext clearing applies the cash settlement. For the purpose of this paragraph, liquid shares are those for which there is a liquid market shares that have a liquid market as referred to in point (b) of Article 2(1)(17) of Regulation (EU) No 600/2014.

*Euronext Clearing* may modify the deadline mentioned above in case of corporate actions.

4. Euronext Clearing shall notify the *Clearing Members* in Fail of the amount of the cash settlement determined in accordance with Article B. 7.2.2, paragraph 5.
5. The settlement of the amounts relating to the price difference and cash settlement referred to in this Article shall be carried out in the manner specified in article B.7.2.2 paragraph 6.

#### **Article B.7.2.4 Offsetting of Failed Positions of the Euronext Equity Section**

1. *Euronext Clearing* allows *Clearing Member* to compensate the *Failed Positions* related to the same *Financial Instruments*, pursuant to the methods set forth in Annex B.724.
2. The request of compensation can be submitted by the *Settlement Agent* in case the latter had been delegated by the *Clearing Member*. Euronext Clearing manages the requests received on a best effort basis.
3. Where the prices of the settlement instructions are different, Euronext Clearing shall calculate the price difference and create a settlement instruction for the residual, pursuant the methods set forth in Annex B.724.
4. The possible cash residual arising from the offsetting to be settled in euro is paid by the *Clearing Member* or by *Euronext Clearing* within the *Euronext Clearing open day* following the one of the pair off. For this purpose, Euronext Clearing inputs settlement instructions for cash within the Settlement System. For the *Financial Instruments* which are settled in currency other than euro, the cash residual is paid by the *Clearing Member* or by *Euronext Clearing* within of the *Euronext Clearing open day* following the one on which *Euronext Clearing* communicates to the *Clearing Member* of the cash residual, denominated in the relevant currency unless differently agreed by the parties.

### **Article B.7.2.5 Delivery of Financial Instruments and settlement of cash amounts related to Buy-in Procedure**

1. Pursuant to article B.7.2.2, Euronext Clearing allows the delivery of the Financial Instruments, by the Clearing Member in fail, upon his request, according to the timing and the methods provided in Annexes.
2. The amount related to the price difference set out in article B.7.2.2 must be paid by the Failing Clearing Member to Euronext Clearing of the Euronext Clearing open day following that on which Euronext Clearing communicates to the Failing Clearing Member the value of the amount. For this purpose, Euronext Clearing inputs settlement instructions for cash within the Settlement System.
3. The settlement of the amounts related to the cash settlement as referred to in article B.7.2.2 shall occur within the Euronext Clearing open day following that on which the Buy-In Agent has been able to buy the Financial Instruments or for the Financial Instruments which are settled in currency other than euro, within the Euronext Clearing open day following the one on which Euronext Clearing communicates to the Clearing Member the value of the amount of the cash settlement, denominated in the relevant currency. For this purpose, Euronext Clearing inputs settlement instructions for cash within the Settlement System.

## **Heading B.7.3 Penalty mechanism**

### **Article B.7.3.1 Procedure for charge the net outstanding amounts of penalties debt**

1. Euronext Clearing charges the amounts referred to in Article B.5.3.5 of the Regulation:
  - a) for the *BITA Share Section*, the *Bond Section* and *ICSD Bond Section*, on the 18th *Euronext Clearing Open Day* of



each month by direct debit of the *DCA RTGS* account in *the T2 System*.

- b) for the *Euronext Equity Section*, on the 18th day of November of each year by direct debit of the *DCA RTGS* account in *the T2 System*

## **Heading B.7.4 Sell-out procedure**

### **Article B.7.4.1 Sell-Out procedure**

1. If a *Member* does not withdraw *Financial Instruments* due to lack of cash, *Euronext Clearing* shall, pursuant to Article B.5.3.3 of the *Regulations*, *Euronext Clearing* shall proceed to the Sell-Out of the *Failed Positions* that are not settled included those suspended pursuant to article B.7.1.1, paragraph 5, notifying the *Member* in fail, cancelling or requesting the company that manages the *Settlement Service* to remove the security delivery operations in favour of the said counterparty not settled due to lack of cash and those suspended pursuant to article B.7.1.1, paragraph 5.
2. *Euronext Clearing* may, also taking account of the methods of functioning of the *Gross Settlement*, postpone the terms of the Sell-Out, notifying *Member* involved.
3. *Euronext Clearing* shall appoint a Sell Out Agent pursuant to Article B.7.7.8, to sell the *Non-Derivative Financial Instruments* delivered by the *Member* in bonis.
4. If the Sell Out Agent does not succeed in selling the *Non Derivative Financial Instruments* on the Sell Out execution day, or only partially succeeds in doing so, he or she may sell them on the subsequent trading day before 3 p.m.
5. *Euronext Clearing* shall inform the *Member* affected by the *Failed Positions* by report with respect to:
  - a) the status of the *Sell Out procedure*;
  - b) the amount in euro that it must pay *Euronext Clearing*, pursuant to Article B.5.3.3 of the *Regulations*, if the

countervalue of the *Non-Derivative Financial Instruments* sold by the Buy-In Agent is lesser than that of the original contracts.

6. *Euronext Clearing* shall deliver the *Non-Derivative Financial Instruments* to the Sell-Out Agent in the context of the *Settlement Services* for the said settlement date, equal to that of the *Non-Derivative Financial Instruments* sold by the Sell-Out Agent.
7. The amount set out at paragraph 5, letter b) must be paid by the *Member* affected by the *Failed Positions* to *Euronext Clearing* in the context of the *Daily Settlement* of the *Euronext Clearing* open day following that in which the *Non-Derivative Financial Instruments* were sold by the Sell-Out Agent on which *Euronext Clearing* communicates to the *Clearing Member* the value of such amount.
8. If the countervalue of the *Non-Derivative Financial Instruments* sold by the Sell-Out Agent is higher than that of the original contracts, the difference shall be deducted by *Euronext Clearing*.
9. In the event of failure by the Sell-Out Agent to sell the *Non-Derivative Financial Instruments* within the time frame set out at paragraph 4, *Euronext Clearing* shall notify the *Member* affected by the *Failed Positions* of the original countervalue of the unsold *Financial Instruments* which, in order to cover losses, it is obliged to pay *Euronext Clearing*, by payment to *Euronext Clearing* DCA RTGS in *T2 System* within the *Euronext Clearing Open Day* following that on which *Euronext Clearing* communicates to the *Clearing Member* the value in euro of such amount. On confirmation of payment *Euronext Clearing* shall deliver the *Non-Derivative Financial Instruments* to the *Member* affected by the *Failed Positions*.
10. *Euronext Clearing* shall notify the *Member* affected by the *Failed Positions* of the costs incurred in the management of the *Sell-Out Procedure*, and the costs incurred by *Euronext Clearing* for the financing of *Failed Position*, which must be paid by the *Member* affected by the *Failed Positions* in the context of the *Daily Settlement* of the *Euronext Clearing* open day following that on which the notification was sent.

## **Heading B.7.5 Miscellaneous**

### **Article B.7.5.1 Buy-In/Sell-Out agent**

1. Intermediaries who do not control or are not controlled, directly or indirectly by the Clearing Member affected by the Failed *Positions* and who do not belong to the same Group as the Clearing Member shall be appointed by Euronext Clearing as Buy-In and Sell-Out Agents.

## **Heading B.7.6 Adjustment of Positions and Buyer Protection**

### **Article B.7.6.1 Management of Positions**

1. The management of *Positions of Cash*, referred to in Article B.3.1.6 of the *Rules*, is carried out by *Euronext Clearing* on the basis of the management made by the *Settlement Service* or, in the absence of management by the *Settlement Service*, on the basis of criteria designed to minimize the distortionary effects of the event and to discourage the delayed delivery of *Financial Instruments* or cash, referred to in Annex B716A.
2. At the end of the *Euronext Clearing open day* preceding the date of the *Position* management referred to in paragraph 1, in case of a partial availability of *Financial Instruments*, *Euronext Clearing* reserves to itself the right to deliver these *Financial Instruments* to the in bonis counterparties having an older value date.
3. Where the interventions referred to in paragraph 1 provide for the transmission of a only-cash settlement instructions and the instruction is not settled within the intended settlement date, *Euronext Clearing* reserves to itself the possibility to request for the settlement in euro, in the context of the *Daily Settlement* referred to in article B.4.1.1. Furthermore, where the adjustment interventions referred to in paragraph 2 provide for the transmission of cash settlement instructions, *Euronext Clearing* communicates to the *Member* the eventual interests that *Euronext Clearing* has applied, that shall be paid by the *Member* in fail in the context of the *Daily Settlement* of the *Euronext Clearing Open Day* following the one on which the communications is forwarded.
4. The management of *Positions* in this Article considers the possible *Buyer Protection* exercise, in Article B.7.1.9.

## Article B.7.6.2 Buyer Protection

1. In case of *Failed Position on Non-Derivative Financial Instruments* subject to a mandatory corporate event with option or to a voluntary corporate event, the in bonis *Clearing Member*, or the *Settlement Agent*, may notify to *Euronext Clearing* the option/s requested sending the Buyer Protection Notice, within the *Euronext Clearing open day* before the last day to send the election instructions as provided by the corporate event.
2. The Buyer Protection Notice has to be sent to *Euronext Clearing* via *ICWS* for BITA Cash sections and via relevant Technological Infrastructure for Euronext Equity Section or, in the event of its malfunction, via e-mail or fax, within the timeline in Annex B.718 and through the form in Annex B.718.B *Euronext Clearing* confirms the receipt of the Buyer Protection Notice with the same channel.
3. The in bonis *Clearing Member* shall modify the Buyer Protection Notice, notifying a new Buyer Protection Notice within the term in paragraph 1.
4. On the day in which the Buyer Protection Notice is received, within one hour of the timeline indicated in Annex B.718, *Euronext Clearing* assigns to the in malis *Clearing Members*, the Buyer Protection Notice received, according to a criteria aimed to minimize the number of assignments. The assignment is notified to the *Clearing Members* by means of a *Report*.
5. The assignment in paragraph 4 is terminated or is modified if, within the term in paragraph 1:
  - a. The in malis *Clearing Member* assigned delivers the *Non-Derivatives Financial Instruments* for which the Buyer Protection was exercised. In this case the assignment is terminated;
  - b. The in malis *Clearing Member* assigned partially delivers the *Non-Derivatives Financial Instruments* for which the Buyer Protection was exercised, and the Buyer Protection provided

- for more than one option. In this case the assignment is terminated;
- c. The in malis *Clearing Member* assigned partially delivers the *Non-Derivatives Financial Instruments* for which the Buyer Protection was exercised, and the Buyer Protection provided for only one option. In this case the assignment remains valid for the part unsettled;
  - d. The in bonis *Clearing Member* who notified the Buyer Protection Notice modify the Buyer Protection according to paragraph 3. In this case *Euronext Clearing* notifies the change of the Buyer Protection Notice to the in malis *Clearing Member* by means of a *Report*;
  - e. In case of delivery of *Non-Derivatives Financial Instruments* to the in bonis *Clearing Member* by a *Clearing Member* different from the in malis *Clearing Member* assigned, in virtue of the settlement systems process. In this case *Euronext Clearing* notifies the change of the Buyer Protection Notice to the in malis *Clearing Member* assigned by means of a *Report*.
6. If the *Failed Positions* for which the Buyer Protection has been exercised are not settled within the term in paragraph 1, *Euronext Clearing*:
- a) Requests to the *Settlement Service* to hold/delete the settlement instructions between the in malis *Clearing Member* assigned and *Euronext Clearing* and between *Euronext Clearing* and the in bonis *Clearing Member*; and
  - b) enters in the *Settlement Service* new settlement instructions between the same counterparties according to the Buyer Protection exercised.
7. In case the *Non-Derivatives Financial Instruments* resulting from the corporate event are not delivered, *Euronext Clearing* activate the Buy-in procedure to the detriment of the in fail *Clearing Member* assigned.
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The provisions on Buyer Protection for securities cleared within the BITA ICSD Bond Section, will enter into force with a subsequent notice.

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## **CHAPTER B.8 Fees, Commissions and Interest**

### **Article B.8.1.1 Fees and commissions**

1. The amount of annual fees and commissions reported to *Members* is settled in the context of the daily settlement pursuant to Article B.4.1.1.

### **Article B.8.1.2 Value dates and Interest**

1. Payments received before 4 p.m. shall be assigned the rate prevailing on that day. After this time, the value of the following *Euronext Clearing open day* shall be recognized.
2. Interest pursuant to Articles B.3.2.1, paragraph 7, and B.3.3.1 paragraph 7, shall be paid at the end of each calendar quarter by crediting of *daily settlement*.



## CHAPTER B.9 Notice

### Article B.9.1.1 Transmission of information

1. *Euronext Clearing* makes information and data on the position of each *Member* available to *Members* – and as required to *Settlement Agents* – through the *Technological Infrastructure*. Some information is available by accessing the *Euronext Clearing* Internet site ([www.euronext.com/it/post-trade/euronext-clearing](http://www.euronext.com/it/post-trade/euronext-clearing)).
2. Where necessary, *Euronext Clearing* may issue the notices pursuant to paragraph 1 by fax or e-mail.

### Article B.9.1.2 Daily statement of payments

*Euronext Clearing* shall make the data regarding “Daily statement of payments” available to *Clearing Members* and *Settlement Agents* for cash in euros, by means of the national inter-banking network (RNI) and of the Swift network, the flow of which are set out in the *Technical Manual*. For this purpose, *Members* must submit to *Euronext Clearing* an application in the form available from the *Euronext Clearing* Internet site ([www.euronext.com/it/post-trade/euronext-clearing](http://www.euronext.com/it/post-trade/euronext-clearing)).

### Article B.9.1.3 Technological Infrastructure

1. *Euronext Clearing* makes the *Technological Infrastructure*, as described in the *Services Manual*, available to *Members* (and *Settlement Agents* so mandated pursuant to Article B.1.1.7, paragraph 1). The *Services Manual* indicates where use of the *Technological Infrastructure* is compulsory.

## CHAPTER B.10 Management Company for BITA Sections

### Article B.10.1.1 Equity Derivatives Section

1. For the *Equity Derivatives Section*, the *Management Companies* with which *Euronext Clearing* currently has Agreements are:

- Borsa Italiana S.p.A., exclusively for *Financial Instruments* traded on the IDEM Equity segment of the IDEM market.

### Article B.10.1.2 Share Section

1. The *Management Companies* for the *BITA Share Section* with which *Euronext Clearing* currently has agreements are:

- Borsa Italiana S.p.A., limited to *Non-Derivative Financial Instruments* traded on the Euronext Milan market, the Euronext MIV Milan market, the ETFplus market, the Borsa Italiana Equity MTF market and related trading segments, with the exclusion of contracts for adhesion to share offers made on the market.

### Article B.10.1.3 Bond Section

1. For the *Bond Section*, the *Management Companies* with whom *Euronext Clearing* has appropriate Agreements are:

- Borsa Italiana S.p.A., limited to *Financial Instruments* traded on MOT Market and limited to *Financial Instruments* traded on the Euronext Access Milan multilateral trading facilities, settled in the Settlement System managed by Monte Titoli;
- MTS S.p.A., limited to Italian government securities traded on MTS Market;
- CME Amsterdam B.V, limited to Italian government securities traded on the regulated market BrokerTec.
- Vorvel S.p.A., limited to *Financial Instruments* traded on the Hi-MTF multilateral trading facilities, settled in the Settlement System managed by Monte Titoli.

2. The provisions of Article 2, paragraph 9, Article 3, paragraph 7, Article and 4, paragraph 9 of the *General Conditions Part II* apply to *Markets* managed by these companies.

#### **Article B.10.1.4 ICSD Bond Section**

1. The *Management Companies* with which *Euronext Clearing* currently has agreements for the *ICSD Bond Section* are:
- Borsa Italiana S.p.A., only for the Financial Instruments traded in the MOT Market – EuroMOT segment and in the ExtraMOT Market—and only for the *Financial Instruments* traded in the Euronext Access Milan multilateral trading facilities settled in the *Settlement Services* managed by Euroclear Bank S.A. and Clearstream Banking Luxembourg;
  - Vorvel Sim S.p.A., only for the *Financial Instruments* traded in the Vorvel multilateral trading facilities settled in the *Settlement Services* managed by Euroclear Bank S.A. and Clearstream Banking Luxembourg.
  - MTS S.p.A. limited to the EBM MTF multilateral trading facility and limited to the foreign government securities traded on the Bond Section included in the GC Extra basket;

With reference to the MTS Market, the EBM MTF multilateral trading facility and the BrokerTec regulated market, for the Italian government securities traded there, *Euronext Clearing* has entered into agreements with a *Special Clearing Member*.

## **CHAPTER B.10-bis Management Company for Euronext Sections**

#### **Article B.10.1.1-bis Euronext Equity Section**

1. The *Management Companies* for the Euronext Equity Section with which *Euronext Clearing* currently has agreements are:
- *Euronext Amsterdam N.V.*, for *Financial Instruments* traded on the Euronext Amsterdam regulated *Market*;
  - *Euronext Brussels S.A./N.V.*, for *Financial Instruments* traded on the Euronext Brussels regulated *Market*, and Euronext

- Growth Brussels, Euronext Access Brussels, Euronext Trading Facility multilateral trading facilities;
- Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A ("sociedade anónima"), for *Financial Instruments* traded on the Euronext Lisbon regulated *Market* and Euronext Growth Lisbon and Euronext Access Lisbon multilateral trading facilities;
  - Euronext Paris S.A, for *Financial Instruments* traded on the Euronext Paris regulated *Market* and Euronext Growth Paris and Euronext Access Paris multilateral trading facilities;
  - Irish Stock Exchange plc, for *Financial Instruments* traded on the Euronext Dublin regulated *Market* and Euronext Growth Dublin and Euronext Access Dublin multilateral trading facilities.

### **Article B.10.1.2-bis Euronext Equity Derivatives Section**

1. The *Management Companies* for the Euronext Equity Derivatives *Section* with which *Euronext Clearing* currently has agreements are:
  - *Euronext Amsterdam N.V*, for *Derivatives Financial Instruments* traded on the Euronext Amsterdam regulated *Market*;
  - Euronext Brussels S.A./N.V, for *Derivatives Financial Instruments* traded on the Euronext Brussels regulated *Market*;
  - Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A ("sociedade anónima"), for *Derivatives Financial Instruments* traded on the Euronext Lisbon regulated *Market*;
  - Euronext Paris S.A, for *Derivatives Financial Instruments* traded on the Euronext Paris regulated *Market*
  - Oslo Boers for *Derivatives Financial Instruments* traded on the Oslo Boers regulated *Market*.

### **Article B.10.1.3-bis Euronext Commodity Derivatives Section**

1. The *Management Companies* for the Euronext Commodity *Derivatives Section* with which *Euronext Clearing* currently has agreements are:

- Euronext Paris S.A, for Derivatives Financial Instruments on commodities traded on the “Marché à Terme International de France (MATIF)”;

## **CHAPTER B.11 Pre-settlement Service**

### **Article B.11.1.1 Pre-settlement Services for BITA Share Section and Bond Section**

1. Companies that manage the *Pre-settlement Service*, with whom *Euronext Clearing* has appropriate agreement, are:
  - Euronext Securities Milan, for the management of X-TRM Service.

### **Article B.11.1.1-bis Pre-settlement Services for Euronext Equity Section, Euronext Derivatives Section and ICSD Bond Section**

1. Pre-settlement Service is managed by Euronext Clearing.

## **CHAPTER B.12 Centralized Depository Service**

### **Article B.12.1.1 Centralized Depository Service for BITA Sections**

1. Companies that manage the *Central Depository Service*, the *Members* must participate in, for the purpose of handling the *Collateral in Financial Instruments, for BITA Sections*, are:
  - Euronext Securities Milan S.p.A..

### **Article B.12.1.1-bis Central Depository Service for the Euronext Equity and Euronext Derivatives Sections:**

1. Companies that manage the Central Depository Service, the Members must participate in, for the purpose of handling the Collateral in Financial Instruments, exclusively for Euronext Equity and Euronext Derivatives Sections, are:
  - Euronext Securities Milan S.p.A.
  - Euroclear Bank S.A.
  - Verdipapirsentralen ASA (Euronext Securities Oslo)

List of eligible Financial Instruments accepted as Collateral per relevant Central Depository Service is made available from the *Annex B.332bis*.

## CHAPTER B. 13 Settlement Services

### Article B.13.1.1 Settlement Services for BITA Cash Sections

1. Companies that manage the Settlement Services, in which Euronext Clearing settles the Positions, in respect to BITA Share Section and Bond Section, are:
  - Euronext Securities Milan S.p.A
2. Companies that manage the Settlement Services, in which Euronext Clearing settles the Positions, in respect to BITA ICSD Bond Section, are:
  - Euroclear Bank S.A. and Clearstream Banking Luxemburg.

### Article B.13.1.1-Bis Settlement Services for Euronext Sections

1. Companies that manage the Settlement Services in which Euronext Clearing settles the Positions related to the *Euronext Equity and Equity Derivatives Section*, are:
  - Euronext Securities Milan S.p.A.
  - Euroclear France S.A.
  - Euroclear Belgium S.A./N.V.
  - Euroclear Nederlands (Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.)
  - National Bank of Belgium – Securities Settlement System
  - Euronext Securities Porto
- Euroclear Bank S.A.
- Verdipapirsentralen ASA (Euronext Securities Oslo)



## CHAPTER B.14 *Eligible Credit Institutions*

### **Article B.14.1.1 List of Eligible Credit Institutions for daily settlement in currencies other than euro**

1. For the purposes of Article B.4.1.2, paragraph 2, *Clearing Members*, or *Settlement Agents*, shall open an account within one of the following *Eligible Credit Institutions*:
  - Norges Bank, concerning cash payments in NOK;
  - Euroclear Bank, concerning cash payments in SEK, DKK, GBP, USD, CHF.

### **Article B.14.1.2 List of credit institutions for deposit of Collateral in currencies other than euro**

1. For the purposes of Article B.4.1.2, paragraph 2, *Clearing Members*, or *Settlement Agents*, shall open an account within one of the following *Eligible Credit Institutions*:
  - Euroclear Bank, for the deposit of cash in USD and GBD.

## CHAPTER B.15 Auction procedure

### **Article B.15.1.1 Determination of Liquidation Portfolio**

1. In view of protecting the interest of the *System*, as well as to promote the efficiency of a *Direct Offer*, Euronext Clearing shall, in its full discretion determine the composition of each *Liquidation Portfolio*. Euronext Clearing may therefore combine or divide the relevant *Liquidation Portfolio(s)* and consequently organise one or several *Direct Offer*.

### **Article B.15.1.2 Direct Offer**

1. Euronext Clearing shall identify the *Invited Bidders* considering Article B.6.2.1septies and B.6.2.1octies. The CCP shall disclose to each Invited Bidder the information concerning the organisation of the Direct Offer and provide them with the details reasonably required in respect of the relevant Liquidation Portfolio.

2. The Direct Offer is articulated as a single unit auction, where any Invited Bidder shall bid at a price for the entire relevant Liquidation Portfolio. In case of multiple Direct Offers for multiple Liquidation Portfolios, each Invited Bidder shall provide separate offers for each Liquidation Portfolio.
3. Following the invitation referred to above, each Invited Bidder shall have the same Bidding Window, to present a bid to the CCP. Said timeframe shall be identified by the CCP on a general basis, within a Guideline. Euronext Clearing will communicate, the Bidding Window of each Direct Offer to Invited Bidders beforehand.
4. Within 30 minutes from the end of the Bidding Window, Euronext Clearing shall validate the outcomes of the Direct Offer and communicate the results to *Invited Bidders*. In case a bid has been accepted by the CCP, Article B.6.2.1sexies, paragraph 5 of the Regulations applies, and Euronext Clearing shall communicate to the winning Invited Bidder and where relevant, other Participants. In case no bid has been accepted, Euronext Clearing may, in its sole discretion, organise another Direct Offer or take any other measure foreseen within the Regulations.
5. Where appropriate, the CCP in its sole discretion may require Invited Bidders to present their bids under a Two-Way Pricing model. In order to be deemed valid, received bids shall comply with this model.
6. In order to stimulate competitiveness within a Direct Offer, the CCP may decide to disclose, in near real time and before the end of the Bidding Window, the best bids received.
7. Received bids shall be considered valid only if:
  - i. received within the applicable Bidding Window;
  - ii. If applicable, complying with the two way pricing requirements set by the CCP;
  - iii. In the case of Trading Clients, if sponsored by the relevant Clearing Member
  - iv. complying with other requirements which may be applied by the CCP for a given auction.

In case no valid bid is received from an Invited Bidder within the Bidding Window, Article B.6.2.1 sexies, paragraph 8 of the *Regulations* applies.

8. Bids received are ranked in accordance with their price. In the event that two or more Invited Bidders submit an equal bid, Euronext Clearing shall rank the bids according to the chronological order of the bids' reception, and, in case they are simultaneous, the one performed by the Clearing Member with the bigger contribution to the relevant default fund shall be ranked first.
9. In any case, Euronext Clearing shall in its sole discretion decide whether or not to accept one or more valid bids in the context of a Direct Offer.
10. The CCP reserves the right to deviate from the procedure described in this Article, if so required in the interest of the *System*.

### **Article B.15.1.3 Confidentiality**

1. *Invited Bidders* commit to be bound by the confidentiality terms for participating in auctions set forth within an Annex.

### **Article B.15.1.4 organizational and risk management resources**

1. In order to promote the fruitfulness of a *Direct Offer*, a *Clearing Member*, or where applicable, a *Trading Client* wishing to take part in an auction shall identify, within its organisation, a DMP coordinator and a back-up DMP coordinator.
2. The DMP Coordinator possesses adequate risk management and operational knowledge of the default management procedures.
3. The DMP Coordinator shall act as single point of contact between the Clearing Member, or Trading Client, and Euronext Clearing for all matters related to default management, including tests.
4. At onboarding stage, the Clearing Member, or Trading Client where applicable, shall delegate a DMP Coordinator within the fashion set forth in Article B.15.1.7.

### **Article B.15.1.5 Communication**

1. All communication between the CCP and the Invited Bidders shall occur through the Auction Infrastructure, which is made available by the CCP to delegated *DMP Coordinators*.
2. In case of malfunctioning, the CCP may indicate, through a Notice, a different means of communication, to be used as contingency method.

### **Article B.15.1.6 Testing and preparedness**

1. In order to promote the preparedness of Clearing Members and, where applicable, Trading Clients, the CCP organizes on a regular or ad hoc basis, tests concerning the implementation of its Direct Offer procedure and the broader default management procedure as defined within Article B.6.2.1 of the Regulations.

### **Article B.15.1.7 Onboarding requirements related to default management**

1. For the purpose of the default management process, Clearing Members shall provide Euronext Clearing with a signed "auction authorization form", which includes:
  - - the delegation of powers to the DMP Coordinator and the back-up DMP Coordinator;
  - - the acceptance of relevant confidentiality obligations;
2. Additionally, the Clearing Member shall transmit on behalf of its *Trading Clients* wishing to participate in an auction, to Euronext Clearing a signed "auction authorization form", which includes:
  - - the delegation of powers to the Trading Client's DMP Coordinator and back-up DMP Coordinator (s);
  - - the consent of the sponsoring Clearing Member, as well as the delegation of powers to the Clearing Member's DMP Coordinator(s) and back-up DMP Coordinator;
  - - the acceptance of relevant confidentiality obligations;
  - by both the Trading Client and the Sponsoring Clearing Member.



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