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WHOLESALES TRADING / REQUEST FOR CROSS

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PREFACE

PURPOSE

The purpose of this document is to provide useful information about Wholesales Trading on Optiq Derivatives focusing on the different kinematics offered to market participants and the related structures of the New Wholesale Order message.

The document also presents additional useful information about the submission of the Request For Cross (RFC) messages and the kinematics.

TARGET AUDIENCE

This document should be read by developers building order entry and market data applications for the Euronext Derivatives markets on the Optiq platform.

WHAT'S NEW?

The following lists only the most recent modification made to this revision/version. For the Document History table, see the Appendix.

VERSION NO.	DATE	AUTHOR	CHANGE DESCRIPTION
1.0	22 Sep 2019	Euronext	First Version

ASSOCIATED DOCUMENTS

The following lists the associated documents, which either should be read in conjunction with this document or which provide other relevant information for the user:

- Euronext Derivatives Markets – Optiq Kinematics Specifications V 1.1.0
- Euronext Markets – Optiq OEG Client Specifications – SBE Interface V 2.1.0
- Euronext Markets – Optiq OEG Client Specifications – FIX 5.0 Interface V 2.1.0
- Euronext Markets – Optiq MDG Client Specifications V 3.1.0
- Euronext Derivatives – How the Market Works V3.0

CONTENTS

1. WHOLESALES TRADING ON OPTIQ DERIVATIVES

Euronext provides a range of Wholesale Trading Facilities that allow market participants to enter pre-arranged bilateral agreed On-Exchange / Off-Book transactions providing they are in line with the Exchange and Regulatory rules as defined in the Euronext Trading Procedures..

Wholesale Trading combines the benefits of the regulated market with those of the OTC market, and helps reduce counterparty risks as they are guaranteed and cleared by Euronext clearing partner.

Unless explicitly indicated otherwise, a *'Wholesale order'* refers to an order submitted by a market participant to the Optiq Matching and a *'Wholesale Trade'* to the trade generated after validation, approval and execution of Wholesale order(s).

A Wholesale Order is made up of one or multiple pre-agreed one-side or two-sides transactions. Matching can either immediately occur when the order is submitted as a cross or will occur when the different counterparts have all replied to the Initiator Wholesale Order.

The following Wholesale trades will be available on Optiq for Euronext Derivatives markets:

- **Against Actuals (AAs)**
- **Exchange For Swaps (EFS) / Exchange for Options (EOOs)**
- **Large In Scale (LIS) trades**

Note that Guaranteed Crosses and Basis Trades are no longer supported as such on Optiq Derivatives.

The available Wholesale Trade types are configurable on a per Contract basis.

Wholesale Trading Facility uses a dedicated and different EMM than Central Order Book, i.e. **EMM = '4'**.

Wholesale Orders can be submitted at any time during a contract's trading session. Submitted Wholesale Orders will not enter the Central Order Book or be made available to the market for trading. Once submitted, Wholesale Orders enter the dedicated Wholesale Order Book. Pending Wholesales orders are deleted are deleted from the Wholesale Order Book after the regulatory validity period.

1.1 AGAINST ACTUALS / EXCHANGE FOR SWAPS

- **Against Actuals (AAs)** allows Commodity market participants to organize and execute Futures transactions that relate directly to an identifiable underlying transaction in the same or similar physical commodity product.

- **Exchange For Swaps (EFS) / Exchange for Options (EOOs)** allows Commodity market participants to organize and execute a Futures transaction as an offset to an identifiable over-the-counter (OTC) swap transaction in a similar commodity or a direct product of such commodity.

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As the rest of this document will explain, AAs and EFS are always submitted as *'Cross'* transactions on single Outright contracts.

1.2   LARGE IN SCALE (LIS) TRANSACTIONS

A new and innovative LIS Trade logic will be implemented on Optiq Derivatives.

The new LIS facility will provide market participants a broader range of LIS trade reporting facilities through one single message, the **New Wholesale Order (64 in SBE – U64 in FIX)** removing many constraints on submission of pre-negotiated trades, and allowing for combination of multiple counterparts and multiple instruments. That means that LIS trades can be submitted on both Outright and Exchange Recognised Strategies, but created independently from their Central Order Book definition.

The facility also allow the submission of Large In Scale transactions on delta-neutral strategies.

The table below provides a summary of the extended range of LIS facilities that will be available on Optiq for Euronext Derivatives markets:

LIS Facility	UTP		Optiq
	LIS	LIS Prof	LIS
Trade with one counterpart on a single Outright	Y	Y	Y
Trade with one counterpart on a known Euronext strategy, as a single instrument	Y	✘	✘*
Transaction with multiple counterparts on a single Outright	✘	✘	Y
Transaction on multiple instruments (strategy) with one counterpart	✘	Y	Y*
Transaction with multiple instruments (strategy) with potentially different counterparts for each trade	✘	Y	Y
Transaction with multiple instruments (strategy) with multiple counterparts for each trade	✘	✘	Y

* Optiq LIS manages Strategies independently from COB definition. The supported functionality covers the business need.

The rest of this document is built upon the different LIS logics provided on Optiq Derivatives, i.e.

1. Trade with one counterpart on a single Outright
2. Trade with multiple counterpart on a single Outright
3. Trade with multiple instruments, also referred as trade a LIS Package, with one counterpart
4. Trade with multiple instruments, also referred as trade a LIS Package, with one of more counterparts for each leg of the Package.

1.3   THE DIFFERENT CONTRACT PARAMETERS FOR WHOLESALES

Wholesale Trading Facility uses a dedicated and different EMM than Central Order Book, i.e. **EMM = '4'**.

Members should note that different contract parameters are provided for Wholesales trades in the standing data files at the Contract level:

1. The available Wholesale Trade types **(Param Name = '7')** - bitmap (Bit 0: Large in Scale; Bit 1: Against Actuals; Bit 2: Exchange for Swaps)

2. ContractLISTradeThreshold **(Param Name = '8')** - Amount

3. LISPriceChecks **(Param Name = '16")** - Bitmap (Bit 0: Dynamic Collars); (Bit 1: Daily High/Low); (Bit 2: Lifetime High/Low)

4. AAPriceChecks **(Param Name = '17")** - Bitmap (Bit 0: Dynamic Collars); (Bit 1: Daily High/Low); (Bit 2: Lifetime High/Low)

5. EFSPriceChecks (**Param Name = '18'**) - Bitmap (Bit 0: Dynamic Collars); (Bit 1: Daily High/Low); (Bit 2: Lifetime High/Low)

6. WholesaleValidityPeriod (**Param Name = '19'**) - Number of minutes

1.4   LIS VOLUME THRESHOLDS

In accordance with MiFID / MiFIR liquidity rules, Optiq must perform some liquidity checks on volume as part of a Wholesale transaction validation.

■ **Liquid / Illiquid Wholesale Transaction Volume Checks**
For each Wholesale Transaction, Optiq must determine if the transaction is "liquid as a whole" or not, in line with liquidity regulation rules.

Are considered as **'Liquid'** Wholesale transactions:

- LIS trades on an Outright instrument

- LIS Package trades that follow the criteria below:

  ▪ The LIS Package only involves two instruments
  ▪ All legs have a TTE < 6 months
  ▪ For Option Contracts, all legs have the same expiry date

Are considered as **'Illiquid'** Wholesale transactions:

- Wholesale transaction on Commodity contracts – Commodity contracts being considered as illiquid by ESMA, wholesale transactions on Commodity contracts are not subject to any Volume or Price checks

- LIS trades that do not match at least one of the previous 'Liquidity' criteria.

■ **Specific volume checks for Liquid LIS Package trades**

An additional Volume check is completed for Liquid LIS Package trade on the overall volume of the LIS , i.e. the strategy volume:

$$Wholesale\ Volume =\ min\ (Leg\ Volume) > Contract\ LIS\ Threshold$$

In the event that this criteria is not met, the LIS Package Trade is rejected with reject code 1027.

■ **Specific volume checks for Illiquid LIS Package trades**

An additional Volume check is completed for illiquid LIS Package trade on the overall volume of the LIS , i.e. the strategy volume:

$$Wholesale\ Volume =\ max\ (Leg\ Volume) > Contract\ LIS\ Threshold$$

For illiquid LIS package trades, only one leg of the LIS package must be above the Contract LIS threshold.

In the event that this criteria is not met, the LIS Package Trade is rejected with reject code 1027 .

■ **Specific LIS Volume thresholds rules applying to Futures versus Options Contracts**

Clients should pay attention to the below when submitting LIS trades on Futures versus Options contracts.

The enhanced Wholesale facility allows clients to report LIS trades agreed with one or multiple counterparts (for both outright and strategies). However:

1. When a LIS trade is submitted on a Futures contracts, for regulatory reasons, there could be only one Reactor per Future leg. This applies both to LIS trades on Futures outrights and to LIS Package trades on Futures-based strategies (as LIS Volume threshold are calculated at individual legs levels).

Example: suppose an Initiator reports a LIS Package on a Future butterfly, i.e.

- Buy 100 Futures Expiry 1
- Sell 200 Futures Expiry 2
- Buy 100 Futures Expiry 3

Reactors can only reply for the whole quantity on each leg, or for the whole strategy mapping the overall volume agreed with the Initiator.

2. When the LIS trade is submitted on an Option contract, the LIS Volume threshold validation applies to the *Initiator* only, not to the *Reactor(s)*. As a consequence, there could be multiple Reactor counterparts in front of the Initiator's Option leg. This applies to LIS trades on Option outright contracts as well as Option legs of a LIS Package.

Example: let's assume the Initiator reports a Buy LIS trade on an Option contract for 200 lots, the LIS Volume threshold for that contract being 150 lots. Reactors in front can reply for the following volume (below the Contract LIS Volume threshold):

- Reactor 1: Sell 50 lots
- Reactor 2 : Sell 80 lots
- Reactor 3: Sell 70 lots

2. AGAINST ACTUALS (AAS) / EXCHANGE FOR SWAPS (EFS)

As per their definition, AAs and EFS are only allowed on Commodity Outright Futures or Options contracts.

They should always be reported as a **'Cross'** transaction in the '*WholesaleTradeType (21083)*' field of the New Wholesale Order message.

An Against Actuals allows Commodity market participants to report a transaction on a Commodity Futures contract directly related to an underlying transaction in the same or similar physical commodity product. Members should note that no information related to the physical commodity product needs to be submitted when reporting an Against Actuals transactions but only the Euronext Commodity Futures contract.

An Exchange For Swaps (EFS) allows Commodity market participants to report a transaction on a Commodity Futures contract executed as an offset to an identifiable over-the-counter (OTC) swap transaction in a similar commodity or a direct product of such commodity. Members should note that no information related to the swap transaction needs to be submitted when reporting an Exchange For Swaps transaction but only the Euronext Commodity Futures contract.

An Exchange For Options (EOO) allows Commodity market participants to report a transaction on a Commodity Options contract executed as an offset to an identifiable over-the-counter (OTC) swap transaction in a similar commodity or a direct product of such commodity. Members should note that no information related to the swap transaction needs to be submitted when reporting an Exchange For Swaps transaction but only the Euronext Commodity Options contract.

Against Actuals and Exchange For Swaps are only supported for Outright contracts.

2.1 STRUCTURE OF THE NEW WHOLESALE ORDER MESSAGE WHEN SUBMITTING AN AGAINST ACTUALS

The following table provides the most important information to submit an Against Actuals transaction using the New Wholesale Order message. For readability purpose, not all the fields of the message are included but only the ones related to the Wholesale transaction details.

New Wholesale Order (SBE: 64 – FIX: U64)	
Field	**Description & Rules**
Contract Symbol Index / SecurityID (48)	Mandatory – must be an existing Commodity Future Contract Symbol Index In FIX, *SecurityIDSource* (22) must be filled
Wholesale Trade Type (21083)	Mandatory – *WholesaleTradeType*= '1' (Against Actuals)
LIS Transaction ID (21085)	Must be Null

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Strategy Code / SecurityType (167) & SecuritySubType (762)	Must be empty
Price (44)	Mandatory - Must be multiple of the tick size
Quantity (53)	Mandatory
Wholesale Side (21082)	Mandatory – *WholesaleSide* = '3' (Cross)
ESCBMembership (21096)	Please note that if *'ESCBMEmbership (21096)'* = 1, no checks on volume is performed
WHOLESALE LEG INFORMATION	
Wholesale Legs Rep length	Must be equal to 43 – *please note that this field is not present in FIX protocol but only in SBE*
Wholesale Legs Rep Occurrences	Must be equal to 1 – *please note that this field is not present in FIX protocol but only in SBE*
NoLegs (555)	Must be equal to 1 – *please note that this field is not present in SBE protocol but only in FIX*
Leg Symbol Index (600)	Mandatory in FIX – Must be an existing Outright Symbol Index of the Contract Symbol Index
Leg Security ID (602)	Mandatory – Must be an existing Outright Symbol Index of the Contract
Leg Price (566)	Mandatory – Must be equal to 'Price'
Leg Strike Price (612)	Optional
Bid Quantity / BidSize (134)	Mandatory – Must be equal to 'Quantity'
Offer Quantity / OfferSize (135)	Mandatory – Must be equal to 'Quantity'
Leg Side (624)	Must be Null Value
Leg Ratio (21091)	Optional
Leg Put Or Call (1358)	Optional
Leg Security Type	Mandatory ⁻ - Must be '0' (Futures) In FIX identified with *LegSecurityID* (602) and *LegSecurityIDSource* (603)
Leg Last Trading Date (21092)	Optional

CLEARING INFORMATION	
Wholesale Clearing Rep length	Must be equal to 80 - – *please note that this field is not present in FIX protocol but only in SBE*
Wholesale Clearing Rep Occurrences	Must be equal to 2 - – *please note that this field is not present in FIX protocol but only in SBE*
NoSides (552)	Must be equal to 2 – *please note that this field is not present in SBE protocol but only in FIX*
Occurrence 1	Clearing Data of the Buy side. Please note that: . *Symbol Index* must be equal to the Future Leg Symbol Index . *Side* must be equal to '1' (Buy)
Occurrence 2	Clearing Data of the Sell side. Please note that: . *Symbol Index* must be equal to the Future Leg Symbol Index . *Side* must be equal to '2' (Sell)

2.2 STRUCTURE OF THE NEW WHOLESALE ORDER MESSAGE WHEN SUBMITTING AN EXCHANGE FOR SWAPS

The following table indicates how to fill the New Wholesale Order message when submitting an Exchange For Swaps or Exchange for Options. For readability purpose, not all the fields of the message are included but only the ones related to the Wholesale transaction details.

New Wholesale Order (SBE: 64 – FIX: U64)	
Field	**Description & Rules**
Contract Symbol Index / SecurityID (48)	Mandatory - Must be an existing Commodity: - Futures Contract for submitting an EFS - Option Contract for submitting an EOO
Wholesale Trade Type (21083)	Mandatory - *WholesaleTradeType*= '2' (Exchange For Swaps)
LIS Transaction ID (21085)	Must be Null
Strategy Code / SecurityType (167) & SecuritySubType (762)	Must be empty (\0)

Price (44)	Mandatory - Must be multiple of the tick size
Quantity (53)	Mandatory
Wholesale Side (21082)	Mandatory – *WholesaleSide* = '3' (Cross)
ESCBMembership (21096)	Please note that if *'ESCBMEmbership (21096)'*= 1, no checks on volume is performed
WHOLESALE LEG INFORMATION	
Wholesale Legs Rep length	Must be equal to 43 – *please note that this field is not present in FIX protocol but only in SBE*
Wholesale Legs Rep Occurrences	Must be equal to 1 – *please note that this field is not present in FIX protocol but only in SBE*
NoLegs (555)	Must be equal to 1 – *please note that this field is not present in SBE protocol but only in FIX*
Leg Symbol Index (600)	Mandatory in FIX – Must be an existing Contract Symbol Index
Leg Security ID (602)	Mandatory – Must be an existing Outright Symbol Index of the Contract
Leg Price (566)	Mandatory – Must be equal to 'Price'
Leg Strike Price (612)	Optional
Bid Quantity / BidSize (134)	Mandatory – Must be equal to 'Quantity'
Offer Quantity / OfferSize (135)	Mandatory – Must be equal to 'Quantity'
Leg Side (624)	Must be Null Value
Leg Ratio (21091)	Optional
Leg Put Or Call (1358)	Optional – Must be '1' (Call) or '0' (Put) for an EOO
Leg Security Type	Mandatory – Must be '0' (Future) for an EFS or '1' (Option) for an EOO In FIX identified with *LegSecurityID* (602) and *LegSecurityIDSource* (603)
Leg Last Trading Date (21092)	Optional
CLEARING INFORMATION	

Wholesale Clearing Rep length	Must be equal to 80 – *please note that this field is not present in FIX protocol but only in SBE*
Wholesale Clearing Rep Occurrences	Must be equal to 2 – *please note that this field is not present in FIX protocol but only in SBE*
NoSides (552)	Must be equal to 2 – *please note that this field is not present in SBE protocol but only in FIX*
Occurrence 1	Clearing Data of the Buy side. Please note that: . *Symbol Index* must be equal to the Leg Symbol Index . *Side* must be equal to '1' (Buy)
Occurrence 2	Clearing Data of the Sell side. Please note that: . *Symbol Index* must be equal to the Leg Symbol Index . *Side* must be equal to '2' (Sell)

2.3 MESSAGE VALIDATION AND MARKET DATA PUBLICATION

Upon submission of the AA or EFS, Optiq will validate the parameters of the trade and automatically reject or accept the trade.

Trade details for AA and LIS are communicated on MDG through the **FullTradeInformation** (1004) message:

- Against Actuals: **Trade Type = '6'**
- Exchange For Swaps (and Exchange For Options): **Trade Type = '9'**

Clients should pay attention that due to market convention, for both types of transactions, the 'Price' field is set to 'Null'.

Volumes resulting from these Wholesale trades are added to the cumulative Off Book volume and provided via the **Statistics** (1009) message.

3. LARGE IN SCALE (LIS) TRANSACTIONS ON A SINGLE OUTRIGHT

This chapter focuses on Large In Scale (LIS) trades on a single instrument.

Optiq offers clients the possible to submit a LIS trade on a single Outright:

- With one counterpart
- With multiple counterparts

3.1 TRADE WITH ONE COUNTERPART ON A SINGLE OUTRIGHT

A trade with one counterpart on a single outright can be submitted either as a one-side transaction, or as a cross by the *Initiator*.

The following table indicates how to fill the New Wholesale Order message when the ***Initiator*** submits a LIS trade on a single outright . For readability purpose, not all the fields of the message are included but only the ones related to the Wholesale transaction details.

New Wholesale Order (SBE: 64 – FIX: U64)		
Field	**Description & Rules**	
	One-Side LIS Trade	**Two-Sides ("Cross") Trade**
Contract Symbol Index / SecurityID (48)	Mandatory	Mandatory
Wholesale Trade Type (21083)	Mandatory - *WholesaleTradeType*= '0' (LIS)	Mandatory - *WholesaleTradeType*= '0' (LIS)
LIS Transaction ID (21085)	Must be Null	Must be Null
Strategy Code / SecurityType (167) & SecuritySubType (762)	Must be empty (\0)	Must be empty (\0)
Price (44)	Mandatory - Must be multiple of the tick size	Mandatory - Must be multiple of the tick size
Quantity (53)	Mandatory	Mandatory
Wholesale Side (21082)	Mandatory – Must be '1' (Buy) or '2' (Sell)	Mandatory – Must be '3' (Cross)

ESCBMembership (21096)	Please note that if *'ESCBMembership (21096)'*= 1, no checks on volume is performed	Please note that if *'ESCBMembership (21096)'*= 1, no checks on volume is performed
WHOLESALE LEG INFORMATION		
Wholesale Legs Rep length	Must be equal to 43 – *please note that this field is not present in FIX protocol but only in SBE*	Must be equal to 43 – *please note that this field is not present in FIX protocol but only in SBE*
Wholesale Legs Rep Occurrences	Must be equal to 1 – *please note that this field is not present in FIX protocol but only in SBE*	Must be equal to 1 – *please note that this field is not present in FIX protocol but only in SBE*
NoLegs (555)	Must be equal to 1 – *please note that this field is not present in SBE protocol but only in FIX*	Must be equal to 1 – *please note that this field is not present in SBE protocol but only in FIX*
Leg Symbol Index (600)	Mandatory in FIX - Must be an existing Contract Symbol Index	Mandatory in FIX - Must be an existing Contract Symbol Index
Leg Security ID (602)	Mandatory - Must be an existing Outright Symbol Index of the Contract Symbol Index	Mandatory - Must be an existing Outright Symbol Index of the Contract Symbol Index
Leg Price (566)	Mandatory - Must be equal to 'Price'	Mandatory - Must be equal to Price
Leg Strike Price (612)	Optional	Optional
Bid Quantity / BidSize (134)	. Mandatory if *Wholesale Side* = 'Buy' - Must be equal to Quantity . Must be empty if *Wholesale Side* = 'Sell'	Mandatory - Must be equal to 'Quantity'
Offer Quantity / OfferSize (135)	. Mandatory if *Wholesale Side* = 'Sell' - Must be equal to Quantity . Must be empty if *Wholesale Side* = 'Buy'	. Mandatory - Must be equal to 'Quantity'
Leg Side (624)	Must be Null Value	Must be Null Value
Leg Ratio (21091)	Optional	Optional
Leg Put Or Call (1358)	Optional - Must be '1' (Call) or '0' (Put)	Optional - Must be '1' (Call) or '0' (Put)
Leg Security Type	Mandatory - Must be '0' (Futures) or '1' (Option) In FIX identified with *LegSecurityID* (602) and *LegSecurityIDSource* (603)	Mandatory - Must be '0' (Futures) or '1' (Option) In FIX identified with *LegSecurityID* (602) and *LegSecurityIDSource* (603)

Leg Last Trading Date (21092)	Optional	Optional
CLEARING INFORMATION		
Wholesale Clearing Rep length	Must be equal to 80 – *please note that this field is not present in FIX protocol but only in SBE*	Must be equal to 80 – *please note that this field is not present in FIX protocol but only in SBE*
Wholesale Clearing Rep Occurrences	Must be equal to 1 – *please note that this field is not present in FIX protocol but only in SBE*	Must be equal to 2 – *please note that this field is not present in FIX protocol but only in SBE*
NoLegs (552)	Must be equal to 1 – *please note that this field is not present in SBE protocol but only in FIX*	Must be equal to 2 – *please note that this field is not present in SBE protocol but only in FIX*
Occurrence 1	Clearing Data of the Buy or Sell side. Please note that: . *Symbol Index* must be equal to the Leg Symbol Index . *Side* must be equal to '1' (Buy) or '2' (Sell)	Clearing Data of the Buy side. Please note that: . *Symbol Index* must be equal to the Leg Symbol Index . *Side* must be equal to '1' (Buy)
Occurrence 2	Not Applicable	Clearing Data of the Sell side. Please note that: . *Symbol Index* must be equal to the Leg Symbol Index . *Side* must be equal to '2' (Sell)

When the LIS trade is reported as one-side, Optiq will return a ***LISTransactionID;*** the LIS trade remains in a pending state (*Response Type* set to 0 = 'Accept')**.** The *LISTransactionID* will be used to match the two counterparts of the transaction and validate the LIS trade. It is the Initiator's responsibility to provide the *Reactor* counterpart this transaction ID.

The counterpart of the trade, i.e. the *Reactor*, must reply by sending a New Wholesale Order on the same single outright instrument. The New Wholesale Order submitted by the Reactor should always be a one-side trade, i.e. Buy or Sell but never 'Cross'.

The following table indicates how to fill the New Wholesale Order message when the ***Reactor*** submits a LIS trade on a single outright . For readability purpose, not all the fields of the message are included but only the ones related to the Wholesale transaction details.

New Wholesale Order (SBE: 64 – FIX: U64)	
Field	**Description & Rules**
Contract Symbol Index / SecurityID (48)	Mandatory
Wholesale Trade Type (21083)	Mandatory - *WholesaleTradeType*= '0' (LIS)
LIS Transaction ID (21085)	Mandatory - Must correspond to the *LISTransactionID* provided by the Initiator
Strategy Code / SecurityType (167) & SecuritySubType (762)	Must be empty (\0)
Price (44)	Mandatory - Must be multiple of the tick size
Quantity (53)	Mandatory
Wholesale Side (21082)	Mandatory – Must be '1' (Buy) or '2' (Sell)
ESCBMembership (21096)	Please note that if *'ESCBMembership (21096)'*= 1, no checks on volume is performed
WHOLESALE LEG INFORMATION	
Wholesale Legs Rep length	Must be equal to 43 – *please note that this field is not present in FIX protocol but only in SBE*
Wholesale Legs Rep Occurrences	Must be equal to 1 – *please note that this field is not present in FIX protocol but only in SBE*
NoLegs (555)	Must be equal to 1 – *please note that this field is not present in SBE protocol but only in FIX*
Leg Symbol Index (600)	Mandatory in FIX
Leg Security ID (602)	Mandatory
Leg Price (566)	Mandatory - Must be equal to 'Price'
Leg Strike Price (612)	Optional
Bid Quantity / BidSize (134)	. Mandatory if *Wholesale Side* = 'Buy' - Must be equal to Quantity . Must be empty if *Wholesale Side* = 'Sell'

| Offer Quantity / OfferSize (135)	. Mandatory if *Wholesale Side* = 'Sell' - Must be equal to Quantity . Must be empty if *Wholesale Side* = 'Buy'
Leg Side (624)	Optional
Leg Ratio (21091)	Optional
Leg Put Or Call (1358)	Optional - Must be '1' (Call) or '0' (Put)
Leg Security Type	Mandatory - Must be '0' (Futures) or '1' (Option) In FIX identified with *LegSecurityID* (602) and *LegSecurityIDSource* (603)
Leg Last Trading Date (21092)	Optional
CLEARING INFORMATION	
Wholesale Clearing Rep length	Must be equal to 80 – *please note that this field is not present in FIX protocol but only in SBE*
Wholesale Clearing Rep Occurrences	Must be equal to 1 – *please note that this field is not present in FIX protocol but only in SBE*
NoSides (552)	Must be equal to 1 – *please note that this field is not present in SBE protocol but only in FIX*
Occurrence 1	Clearing Data of the Buy or Sell side. Please note that: . *Symbol Index* must be equal to the Leg Symbol Index . *Side* must be equal to '1' (Buy) or '2' (Sell)
Occurrence 2	Not Applicable

After successful validation from Optiq on the *LIStransactionID* and other trade parameters as submitted by both counterparts, the LIS trade will be completely executed and matched. A **FullTradeInformation** (1004) message will be sent on MDG with volume and price details:

- For LIS trades on single Outright instrument: **Trade Type** = '2'

This is followed by **Statistics** (1009) messages to update the Cumulative Quantity of Off Book traded volume for the single Outright.

3.2   TRADE WITH MULTIPLE COUNTERPARTS ON A SINGLE OUTRIGHT

Optiq also provides the opportunity to report a LIS transaction on a single Outright but agreed with multiple counterparts as shown below. For regulatory reasons, such a facility is only support for **Options** outright contracts.
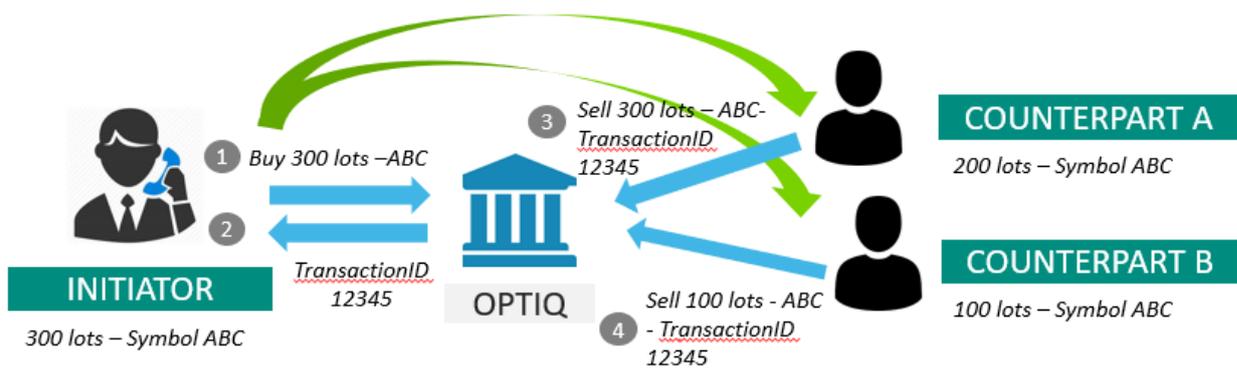
To report a LIS trade on an Outright instrument agreed with multiple counterparts:

- The *Initiator* must report the LIS as a one-side trade. Upon successful validation, Optiq will return the *LISTransactionID* and the trade will remain in a pending state (*Response Type* = '0').
- The Initiator must provide the **two** *Reactor* counterparts of the transaction the *LISTransactionID*.
- Each Reactor must reply by entering a one-side New Wholesale message with the *LISTransactionID* and the agreed traded volume with the Initiator.

Clients should note that the LIS trade will remain in a pending state until **all** the *Reactor* counterparts have submitted their own transaction. It is only at this point of time that the LIS trade will be completely matched and the *Initiator* and all the *Reactors* are notified.

In the event that one *Reactor* counterpart does not submit his trade within MiFID regulatory timeframe, the LIS transaction will be cancelled; this even if some counterparts have submitted their one-side transaction within the correct time period.

4. LARGE IN SCALE (LIS) TRANSACTIONS ON STRATEGIES

The New Wholesale Order message provides market participants with greater flexibility to report Large In Scale Transactions on multiple instruments into the same package, with one or multiple counterparts.

The new Optiq Wholesale facility is therefore designed to replace and enhance the UTP Prof Trade mechanism.

LIS volume thresholds is also improved and is applied according to MiFID / MiFIR liquidity rules: all legs above the limit for liquid transactions, at least one leg for non-liquid transactions

4.1 THE LIS PACKAGE

Reporting a LIS transaction on multiple instruments require that the different legs of the package follow the structure of an Exchange Recognised Strategy. However, there is no requirement to create the strategy before in the Central Order Book. Indeed, there is no interaction between a strategy used to report a LIS Package trade and the similar strategy in the Central Order Book.

<u>Strategies used in the context of LIS Package trades are solely use for the purpose of providing an Exchange Recognised structure to the LIS Package trade and its individual component legs. They will never lead to an intraday creation of the instrument and be available for trading in the Central Order Book after the execution of the LIS Package trade</u>. No Symbol Index will be created.

Only Delta-Neutral strategies need to be created in the Central Order Book prior to reporting a LIS Package Trade

Removing the constraint of creating the strategy before submitting a LIS Package trade is aimed at providing clients with the possibility to use any Exchange Recognised Strategies supported for a contract even those rarely created and used in the Central Order Book and provide more LIS Package trading opportunities to market participants while being compliant with MiFID / MiFIR liquidity rules.

4.2 TRADE WITH ONE COUNTERPART ON A STRATEGY

A LIS Package trade with one counterpart on multiple instruments combined in an Exchange Recognised Strategy can be submitted either as a one-side transaction, or as a cross by the *Initiator*.

Note that even if the LIS Package is submitted on an existing strategy in the Central Order Book, detailed information must be provided for each leg, as for a strategy creation. There is never any reference in the New Wholesale message to the strategy Symbol Index.

The following table indicates how to fill the New Wholesale Order message when the *Initiator* submits a LIS trade on a single outright . For readability purpose, not all the fields of the message are included but only the ones related to the Wholesale transaction details.

New Wholesale Order (SBE: 64 – FIX: U64)		
Field	**Description & Rules**	
	One-Side LIS Package Trade	**Two-Sides ("Cross") LIS Package Trade**
Contract Symbol Index / SecurityID (48)	Mandatory	Mandatory
Wholesale Trade Type (21083)	Mandatory – *WholesaleTradeType* = '0'	Mandatory - – *WholesaleTradeType* = '0'
LIS Transaction ID (21085)	Must be Null	Must be Null
Strategy Code / SecurityType (167) & SecuritySubType (762)	Mandatory – Must be a valid Exchange Recognised Strategy code In FIX, *SecurityType* = 'MLEG' and *SecuritySubType* must be a valid Exchange Recognised Strategy code	Mandatory – Must be a valid Exchange Recognised Strategy code In FIX, *SecurityType* = 'MLEG' and *SecuritySubType* must be a valid Exchange Recognised Strategy code
Price (44)	Mandatory - Must be consistent with the leg prices	Mandatory – Must be consistent with the leg prices
Quantity (53)	Mandatory - Must be consistent with leg quantities	Mandatory - Must be consistent with leg quantities
Wholesale Side (21082)	Mandatory - – Must be '1' (Buy) or '2' (Sell)	Mandatory - Must be '3' (Cross)
ESCBMembership (21096)	Please note that if *'ESCBMEmbership (21096)'*= 1, no checks on volume is performed	Please note that if *'ESCBMEmbership (21096)'*= 1, no checks on volume is performed
WHOLESALE LEG INFORMATION		
Wholesale Legs Rep length	Must be equal to 43 – *please note that this field is not present in FIX protocol but only in SBE*	Must be equal to 43 – *please note that this field is not present in FIX protocol but only in SBE*
Wholesale Legs Rep Occurrences	Must be in [2,32] – *please note that this field is not present in FIX protocol but only in SBE*	Must be in [2,32] – *please note that this field is not present in FIX protocol but only in SBE*

NoLegs (555)	Must be equal in [2,32] – *please note that this field is not present in SBE protocol but only in FIX*	Must be equal in [2,32] – *please note that this field is not present in SBE protocol but only in FIX*
Leg Symbol Index (600)	Mandatory in FIX – Must be the Contract Symbol Index	Mandatory in FIX - Must be the Contract Symbol Index
Leg Security ID (602)	Mandatory – Must belong to the Contract Symbol Index	Mandatory in FIX - Must belong to the Contract Symbol Index
Leg Price (566)	Mandatory - Must be multiple of the tick size	Mandatory - Must be multiple of the tick size
Leg Strike Price (612)	. Mandatory for an Option Leg . Must be Null for a Future Leg	. Mandatory for an Option Leg . Must be Null for a Future Leg
Bid Quantity / BidSize (134)	. Mandatory if *Wholesale Side* = 'Buy' and *Leg Side* = 'Buy' **or** if *Wholesale Side* = 'Sell' and *Leg Side* = 'Sell'	. Must be equal to Offer Quantity . Must be consistent with the Strategy Definition
Offer Quantity / OfferSize (135)	. Mandatory if *Wholesale Side* = 'Sell' and *Leg Side* = 'Buy' **or** if *Wholesale Side* = 'Buy' and *Leg Side* = 'Sell'	. Must be equal to Bid Quantity . Must be consistent with the Strategy Definition
Leg Side (624)	Mandatory – *Leg Side* = '1' (Buy) or '2' (Sell) Must be consistent with the Strategy Definition	Mandatory – *Leg Side* = '1' (Buy) or '2' (Sell) Must be consistent with the Strategy Definition
Leg Ratio (21091)	Mandatory Must be consistent with the Strategy Definition Must contain the delta for delta-neutral strategies	Mandatory Must be consistent with the Strategy Definition Must contain the delta for delta-neutral strategies
Leg Put Or Call (1358)	. Must be '0' (Put) or '1' (Call) if *Leg Security Type* is 'Option' and consistent with the Strategy Definition	. Must be '0' (Put) or '1' (Call) if *Leg Security Type* is 'Option' and consistent with the Strategy Definition
Leg Security Type	Mandatory – *Leg Security Type* = '0' (Future) or '1' (Option) or '3' (Cash) Must be consistent with the Strategy Definition	Mandatory – *Leg Security Type* = '0' (Future) or '1' (Option) or '3' (Cash) Must be consistent with the Strategy Definition

 1.0

Leg Last Trading Date (21092)	Must be empty (\0) if *Leg Security Type* = '3' (Cash)	Must be empty (\0) if *Leg Security Type* = '3' (Cash)
	Must be YYYYMMDD if *Leg Security Type* = '0' or '1"*	Must be YYYYMMDD if *Leg Security Type* = '0' or '1'*
CLEARING INFORMATION		
Wholesale Clearing Rep length	Must be equal to 80	Must be equal to 80
Wholesale Clearing Rep Occurrences	Must be in [2,64]	Must be in [4,64]
NoSides (552)	Must be equal in [2,32] – *please note that this field is not present in SBE protocol but only in FIX*	Must be equal in [4,34] – *please note that this field is not present in SBE protocol but only in FIX*
Occurrence 1	Clearing Data of the Buy or Sell side for Leg 1 of the strategy . *Symbol Index* must be equal to the Leg Symbol Index . *Side* must be equal to '1' (Buy) or '2' (Sell)	Clearing Data of the Buy side for Leg 1 of the strategy . *Symbol Index* must be equal to the Leg Symbol Index . *Side* must be equal to '1' (Buy)
Occurrence 2	Not applicable for Leg 1 of the strategy	Clearing Data of the Buy side for Leg 1 of the strategy . *Symbol Index* must be equal to the Leg Symbol Index . *Side* must be equal to '1' (Buy) or '2' (Sell)
…	…	…
Occurrence N	Clearing Data of the Buy or Sell side	Clearing Data of the Buy or Sell side

Additional notes on message structure:

- For readability purpose, the table above presents the structure of New Wholesale Order message for a LIS Package where **all** legs of the strategy are submitted as a one-side or cross.
- Flexibility is given to market participants to report **each individual leg** either as one-side or two-sides transaction.
- When an individual leg is submitted as a cross:
    o Bid Quantity and Offer Quantity should be filled with the same value (consistent with the strategy definition)
    o There should be two occurrences of clearing information for the Buy and Sell sides.

When the LIS Package Trade is submitted to Optiq, a number of checks on the strategy structure, volume and price (note that prices for each leg are checked against the instrument dynamic collars) are performed by the Matching Engine.

If the <u>entire</u> LIS Package (i.e. all strategy legs) is submitted as a cross, Optiq immediately complete the transaction (refer to the next chapter for more detailed information on market data LIS Package and Trade information).

If <u>at least one leg</u> of the LIS Package is submitted as one-side, Optiq will return a **LISTransactionID;** the LIS Package trade remains in a pending state (*Response Type* set to 0 = 'Accept')**.** The *LISTransactionID* will be used to match the counterpart of the transaction and validate the LIS trade. It is the Initiator's responsibility to provide the *Reactor* this transaction ID.

The counterpart of the trade, i.e. the *Reactor*, must reply by sending a New Wholesale Order.

- The Reactor must populate the *LISTransactionID* as provided by the Initiator.
- The New Wholesale Order must be a one-side transaction.

The structure of the Reactor New Wholesale Order message depends on the information submitted by the Initiator i.e.

- If the Initiator has submitted the entire LIS Package as a one-side transaction, the Reactor will reply by an equivalent LIS Package with the appropriate *LISTransactionID*.
- In the event that some legs within a LIS Package have been submitted as a cross, the Reactor must reply individually (i.e. one-side New Wholesale Order on individual leg of the strategy) with the appropriate *LISTransactionID*.

<u>Example:</u> An initiator reports a Call Butterfly:

- Leg 1 is submitted as a one-side transaction
- Leg 2 is submitted as a cross
- Leg 3 is submitted as a one-side

The Reactor must send two (2) New Wholesale Order messages (1) for Leg 1, (2) for Leg 3.

The LIS Package trade will remain in a pending state until all legs of the LIS Package are matched. It is only at this point of time that the LIS trade will be completely matched and all counterparts notified.

In the event that at least one leg of the LIS Package remains in a pending state until the end of the MiFID regulatory timeframe, the entire LIS Package trade will be cancelled.

4.3   TRADE WITH MULTIPLE COUNTERPARTS ON A STRATEGY

Optiq provides the opportunity to report a LIS Package trade on an Exchange Recognised Strategy but agreed with multiple counterparts as shown below.
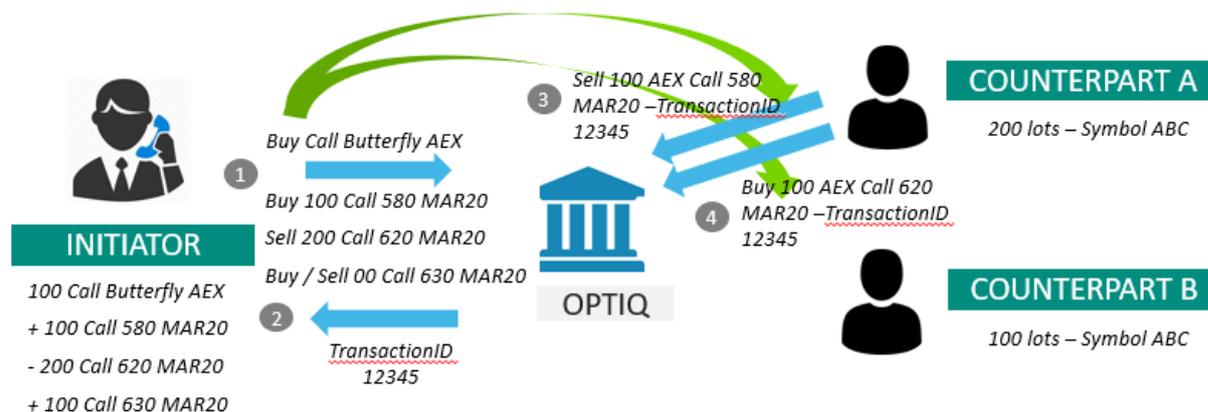
To report a LIS Package trade on an Exchange Recognised strategies pre-arranged with multiple counterparts:

- The *Initiator* must report the LIS Package trade as a one-side transaction (following the structure of the New Wholesale order presented in the previous paragraph). Each individual leg within the LLIS Package can be submitted either as a one-side or cross transaction. Upon successful validation, Optiq will return the *LISTransactionID* and the trade will remain in a pending state (*Response Type* = '0).
- The Initiator must provide the different *Reactors* counterparts of the transaction the *LISTransactionID*.
- Each Reactor must reply by entering a one-side New Wholesale message with the *LISTransactionID* and the agreed traded volume with the Initiator.

For Futures legs:

- There can only be **one** Reactor matching the whole quantity of the Initiator. Any leg submitted with a quantity inferior to the Initiator one will be rejected with reject code 3625 or 3636.

For Option legs:

- There can be multiple Reactors matching partially the quantity submitted by the Initiator, the LIS Volume threshold being checked only for the Initiator.

Clients should note that the LIS Package trade will remain in a pending state until **all** the Reactor counterparts have submitted their own transaction. It is only at this point of time that the LIS trade will be completely matched and all counterparts notified.

In the event that one *Reactor* counterpart does not submit his trade within MiFID regulatory timeframe, the whole LIS Package trade will be cancelled; this even if some counterparts have submitted their one-side transaction within the correct time period.

4.4 MARKET DATA PUBLICATION

Once a LIS Package transaction is successfully completed, market participants are notified about the transaction the following way:

1. The **LISPackageStructure** (1016) message notifies market participants about the structure of the package, i.e. the Contract Symbol Index, the strategy type and the details of each individual leg. Even

if the LIS Package was submitted on an existing strategy in the COB, there will never be any references to the strategy Symbol Index provided in the message. The LIS Package is a Wholesale transaction without any link to the strategy in the COB. The **LISPackageStructure** (1016) message also provides market participants with the *MiFIDExecutionID* of the Transaction.

2. A **FullTradeInformation** (1004) message notifies market participants on the volume and price of the LIS Package Trade. The message will contain the Contract Symbol Index and the *MiFIDExecutionID* that clients must use to map the FullTradeInformation message received with the LIS Package information (per leg).

3. **Statistics** (1011) messages will provide updated Off-Book cumulative quantities for all individual legs. Clients should note that, for regulatory reasons, there will never be prices published for the individual legs of the LIS Package. Only the *Initiator* knows about the individual leg prices.

5. REQUEST FOR CROSS (RFC)

Request For Cross (RFC) will be the only method to cross on Euronext Derivatives Markets using the Optiq platform through an auction mechanism.

A summary of the RFC kinematics is presented below:
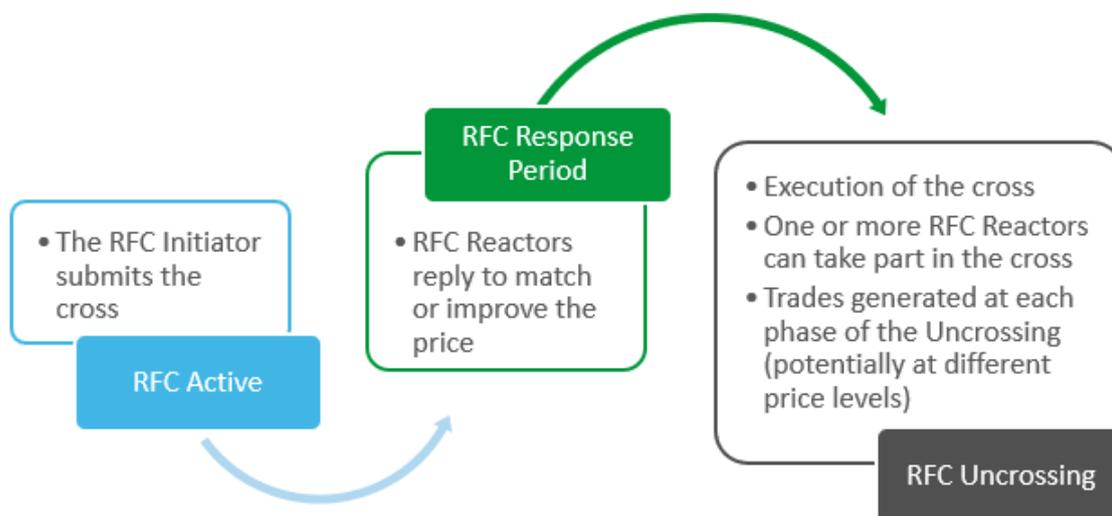
RFC is already available on Euronext Derivatives markets for Equity Derivatives, Index Derivatives and Commodity Derivatives products, for both Outrights and Strategies (including delta-neutrals).

RFC facility has its own EMM under Optiq Derivatives, i.e. **EMM = '7'**.

■ **RFC Initiation**

The member initiating the RFC, also referred as the *Initiator*, must submit a **Cross Order** (SBE: 67 – FIX U67) message as a **Cross** (*Order Side* = '3' in SBE) representing a commitment to cross a given Outright or Strategy for a given Quantity (in the *Order Quantity* field) at a given Price (in the *Order Price* field).

For clients using the FIX interface, the *NoSides* (552) must be set to **'2'**, and repeating group must be provided twice, with buy side first, and sell side second.

RFC orders can only be **Limit** orders, i.e. *Order Type / OrdType* (40) should always be set to **'2'**.

At the contrary of LIS Packages, but similarly to the current behaviour, RFC on strategies are only authorized on strategies previously created in the Central Order Book. If the event that the strategy is not available yet, it must be created prior to the submission of the RFC using the **Security Definition Request** (60) / (FIX c) message.

For submission of Cross orders on strategies:
- *Symbol Index / SecurityID* (48) in the block of the message should be filled with the Symbol Index of the strategy. The type of strategy for the message is determined based on the provided Symbol Index. The data provided in the message for the strategy must match the rules and structure of the previously created strategy.

Specific note for FIX protocol on Cross orders on strategies

- *In FIX,* the "No Legs" repeating group is indicated as nested within the NoSides (SideCrossOrdModGrp) repeating group. This repeating group is used for indication of leg information in case of submission of Cross orders on a strategy.
- This repeating group is moved out of the NoSides, and is present at the same level as the NoSides, that will appear at the end of the message in the future update of the FIX specifications.

When a cross order is submitted on a strategy:

Repeating groups StrategyFields in SBE / NoLegs in FIX: these fields are used only to provide leg information of strategies by the Initiator of the RFC.

Initiator must always populate at minimum 2 legs, to indicate information for the Buy and Sell information of their order, and can go up to 32.

- The field *Leg Instrument ID / LegSecurityID* (602) – contains the Symbol Index of the strategy leg.
- The field *Leg Last Traded Price / LegLastPX* (637) – identifies the price of the transaction of each leg, applied for the Cross, which should correspond to the overall price of the strategy identified in the block of the message. This means it is the same on both sides for the Initiator.
- In the field *Leg Last Traded Quantity / LegLastQty* (1418). Can be identified when submitting Delta-Neutral strategies. For other strategy types this field must not be populated, and the trade quantity is taken from the block of the message. If provided for non-Delta-Neutral strategies, messages will be rejected. This means it is the same on both sides for the Initiator.

■ **RFC Response Period**

Once the Cross has been successfully accepted by Optiq, Reactors can submit one-side **Cross Order (67 – U67)** messages to match or improve the price from the Initiator.

For submission by the *Reactor* the Side of the Cross order must be set to either Buy or Sell, i.e. *Order Side* = '1' (Buy) or '2' (Sell) in SBE; for clients using the FIX interface, the *NoSides* (552) must be set to **'1'**, and repeating group must be provided once, either with buy side or sell side.

Reactor for a strategy must never submit any leg information, i.e. in the block of the message in field *Order Price / Price* (44) and *Order Quantity / OrderQty* (38) the price of the whole strategy should be provided.

Market Updates from the Reactors will be published through MDG with *Update Type* '3' (New Bid) or '4'. Clients should note that *Update Types* '74' and '75' will be deprecated as RFC has a dedicated EMM on Optiq.

■ **RFC Uncrossing**

Optiq provides two different RFC uncrossing algorithms:

- Standard RFC uncrossing
- Client priority RFC

As the result of the uncrossing steps, it is possible that the Initiator cross cannot be fully matched and is only partially executed.

APPENDIX A: DOCUMENT HISTORY

REVIEW LOG

DOCUMENT NAME	WHOLESALES TRADING / REQUEST FOR CROSS
PROJECT NAME	
LOCATION	
REVISION VERSION	1.0