

**EURONEXT FX INC.  
OPERATING  
PROCEDURES**

**EFFECTIVE DATE: September 1<sup>st</sup>,  
2020**

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*The Operating Procedures shall become effective automatically on the Effective Date set forth above, without further notice.*



## OPERATING PROCEDURES

### 1. Overview

Euronext FX Inc. (“Euronext FX”) offers its clients a global ECN trading platform (“Platform”) from which to execute transactions in spot-settled foreign exchange and certain spot-settled precious metal products. The Platform operates three separate and distinct matching engines located in New York, London and Tokyo (located at data centers NY4, LD4 and TY3, respectively). Each matching engine emits its own market data, trades, and midpoint values. Euronext FX may add additional data centers and matching engines from time to time in its discretion without updating these Operating Procedures, and may also route orders to, and accept for execution orders routed from, an ECN trading platform operated by its wholly-owned subsidiary, Euronext Markets Singapore Pte. Ltd. (“Euronext Markets Singapore”). For Users which are also customers of the Euronext Markets Singapore trading platform and utilize one or more prime brokers for both the Platform and the Euronext Markets Singapore ECN trading platform, credit provided by prime brokers to Users will be allocated dynamically across the Platform and the Euronext Markets Singapore ECN trading platform.

The Platform does not permit transactions in “swaps,” as defined by the Commodity Futures Trading Commission (“CFTC”). Users must have the ability to effect physical delivery with respect to transactions occurring via the Platform; the transactions occurring on the Platform are not rolled as a matter of course; and any netting will only be done in accordance with a pre-negotiated netting agreement. Euronext FX is not responsible for compliance by Users with regulatory obligations applicable to swap dealers or otherwise imposed by rules of the CFTC.

These Operating Procedures are incorporated into the legal agreements between Euronext FX and its clients, including participating financial institutions (“PFI’s”; together with trading clients, “Users”). Compliance with these Operating Procedures is required under these legal agreements and is a condition for transacting on the Platform. Different rules and procedures apply to consumers of other Euronext FX products and services, including the FX Tape® Rulebook. These Operating Procedures may be amended at any time by Euronext FX in accordance with the terms of a User’s legal agreement with Euronext FX. Users are responsible for promptly notifying Euronext FX by email to [support@fastmatchfx.com](mailto:support@fastmatchfx.com) of any account administrative changes (e.g., changes to corporate name or controlling ownership, updates to contact information or designation of authorized signatories) and completing the documentation reasonably requested by Euronext FX to effectuate such changes. *Euronext FX may make administrative changes to the terms of these Operating Procedures, such as updating its hours of operation, contact information and website links by posting the updated information on its website or directly notifying Users, without amending these Euronext FX Operating Procedures.*

Information about Platform features are made available from time to time on the Euronext FX website located at [www.EuronextFX.com](http://www.EuronextFX.com) (the “Website”). The Website is made available for general informational purposes only, and may be changed at any time without notice. Users should be aware that the Website may not be updated immediately, and questions about Platform features should be directed to Euronext FX.

Euronext FX reserves the right to restrict or suspend a User’s access to and use of the Platform

if Euronext FX determines in its sole discretion that a User's activity fails to conform to these Operating Procedures, or if a User violates the terms of any other agreement with Euronext FX or applicable law or regulation.

## **2. FX Global Code**

Euronext FX has published its Statement of Commitment to the FX Global Code ([https://EuronextFX.com/docs/statement\\_of\\_commitment.pdf](https://EuronextFX.com/docs/statement_of_commitment.pdf)) and has taken appropriate steps to align its operation of the Platform with the principles of the FX Global Code.

## **3. Hours of Operation**

Trading hours for the Platform are from Sunday at 5:30 p.m. Eastern Time to Friday at 5:00 p.m. Eastern Time, with daily maintenance scheduled from 5:00 p.m. Eastern Time to 5:30 p.m. Eastern Time, during which time FIX sessions will be disconnected and the GUI will be inaccessible. The Platform has no trading hours on Christmas Day and New Year's Day, Eastern Time. Please further refer to <http://EuronextFX.com/features#trading-hours> for the hours of operation. References to Eastern Time are to New York City local time.

Euronext FX's support desk can be reached at **+1 (212) 201-7319** or by email to [support@fastmatchfx.com](mailto:support@fastmatchfx.com) from Sunday at 5:30 p.m. Eastern Time to Friday at 5:00 p.m. Eastern Time, excluding Christmas Day and New Year's Day, Eastern Time.

## **4. Access Methods**

Users that access the Platform by way of application program interface ("API") provided by Euronext FX will need to complete certification to the API in order to receive production credentials. Users must (i) keep Euronext FX fully informed at all times of the identity of each software program or system that directly or indirectly accesses the API, and (ii) only provide access to the API to those software programs and systems that have been previously approved by Euronext FX in writing (such approval may be given by e-mail from a Euronext FX Operations Manager. Users may also choose to transact on the Platform by GUI.

## **5. Data Dissemination; Anonymity**

Euronext FX makes available to its Users market data, consisting of relevant quotes, and also provides each User with post-trade data relevant to its transactions. Users may receive market data via the GUI, API, or user download via web client portal or secure Amazon cloud. Except as otherwise agreed to by the relevant Users (in connection with disclosed bilateral trading), Euronext FX discloses party information in aggregated and anonymized form only, and in accordance with Euronext FX's agreements with Users. In disclosed bilateral trading, the identities of the counterparties are known.

In anonymous trading, following execution of a transaction, each party will receive an anonymous identifier that represents the counterparty. Euronext FX offers multiple methods to deliver this tag information, including real-time delivery. Price takers will also receive the anonymous identifier of



what would have been the counterparty for trades that are rejected by the Liquidity Provider. Users which are price takers can request that their assigned unique anonymous numeric client identifier be shared with liquidity providers pre-trade; otherwise, the unique identifier of the User will not be shared pre-trade and the liquidity provider will receive a generic identifier (e.g., 1000) pre-trade.

In disclosed trading, liquidity providers receive a numeric client identifier for each counterparty with which it executes trades, after the match but before the trade is executed (i.e. pre-trade).

In all cases a credit settlement code is distributed to liquidity providers after the match but before the trade is executed (i.e. pre trade).

As part of Euronext FX's suite of product offerings, Euronext FX may disseminate market data via the Euronext FX website located at [www.EuronextFX.com](http://www.EuronextFX.com) (the "Website") and also makes historical and real-time market data available to subscribers of market data pursuant to legal agreements with Euronext FX. Subscribers of Euronext FX's FX Tape® data product receive FX Tape® data in accordance with their subscription agreements and the FX Tape® Rulebook (<https://tape.EuronextFX.com/#>).

## 6. Order Types

Please visit <http://www.EuronextFX.com/features> for a complete description of order types supported by the Platform. Euronext FX may add or change order types supported by the Platform without notice

## 7. Liquidity

Euronext FX utilizes a smart order technology function called "Flexible Matching." For more information, please visit <http://www.EuronextFX.com/features#matching-rules> or contact Euronext FX's Liquidity Management group at [liquidity@fastmatchfx.com](mailto:liquidity@fastmatchfx.com).

### Liquidity Types

Euronext FX utilizes two types of price liquidity: order driven liquidity and quote driven liquidity. Order driven liquidity resides on the Euronext FX book and is executed immediately upon arrival of the opposite side order. Quote driven liquidity is provided by liquidity providers and gives the liquidity provider the ability to choose to fill or reject the order before execution. Euronext FX prioritizes order driven liquidity over the quote driven liquidity at the same price.

Euronext FX offers Users a choice with regards to liquidity. By default, Euronext FX Users are configured to receive both order driven liquidity and quote driven liquidity. *Users can opt out from interacting with quote driven liquidity (for all currency pairs or for select currency pairs) by contacting Euronext FX's Liquidity Management group at [liquidity@fastmatchfx.com](mailto:liquidity@fastmatchfx.com).*

### Liquidity Configuration

Users may interact with a customized set of liquidity, which may be set and changed at Euronext FX's discretion based on several factors, such as: (a) User-defined trading strategy or

objective; (b) User-defined counterparty preference; (c) User-defined types of liquidity (i.e. firm only, non-firm only, or both firm and non-firm); (d) User's access method (i.e. API or GUI); (e) historical market impact; (f) historical bid-offer spreads; and (g) historical acceptance rates.

## 8. Central Clearing Counterparty

Central Counterparty ("CCP") refers to one or more intermediary counterparties identified and used by Euronext FX to provide central counterparty clearing and settlement services in respect of the User's transactions on the Platform. For more information, please contact Euronext FX Sales at [sales@fastmatchfx.com](mailto:sales@fastmatchfx.com).

## 9. Market Protections

The Platform contains mechanisms designed to protect Users against excessive quoting and other errors.

Features of the Platform designed to provide additional protections to Users include:

- Open Order Limit - Rejection of new orders if a User has more than 100 open orders for the same currency pair or precious metal at any given time.
- Disabling Quote Providers - Disabling a quote provider if a provider takes more than the maximum allowed response time; an email notification will automatically be sent.
- Inverted Orders - Two orders will not be matched if the result would be an inverted top of book that is greater than the absolute value of the mid-price of the prevailing currency pair by 0.25% for orders and 0.1% for quotes.
- Pre-trade Open Position Check - Using the Platform's CreditMatch™ application, PFI's, including those PFI's that serve as prime broker to other Users, may manage and monitor their own open positions with other PFI's, and the open positions their prime brokerage Users have entered into through the Platform. PFI's may also use CreditMatch™ to establish and manage trading limits for themselves or their prime brokerage Users. Trading limits are based on Net Daily Settlement Limit ("DSL NET") and/or Net Open Position ("NOP"). CreditMatch™ automatically transmits an email alert to the relevant PFI when open positions reach 70% of the established DSL NET/NOP limit, 90% of established DSL NET/NOP limit and 100% of DSL NET/NOP limit. CreditMatch™ is configured to reject all orders that would breach 100% of either its DSL NET or NOP limits. The CreditMatch™ application is provided to PFI's and users upon request.

Certain features may be configurable at the User's request. Euronext FX may add additional market protections and update the features and configurations described above or on the Website without notice, in order to maintain, in its reasonable discretion, a fair and orderly market. Questions on Platform Market Protections should be directed to [support@fastmatchfx.com](mailto:support@fastmatchfx.com).

## 10. Credit and Other Limits

Users may enter into transactions on the Platform utilizing the services of a prime broker, acting as its agent for such purpose. Prime brokers are subject to the terms of the PFI Addendum executed by them. Such prime brokers may establish certain limits on the trading activities for each of its clients, including credit limits and restrictions on authorized counterparties. Such limits shall be established by notifying Euronext FX by (i) entering credit limits into the Credit Match™ functionality and (ii) by notifying Euronext FX in writing, by email or other written communication to [support@fastmatchfx.com](mailto:support@fastmatchfx.com). Euronext FX shall be entitled to rely upon the instructions provided by such prime. The limits set by a prime broker for each client shall become effective upon entry of a credit limit into CreditMatch™ or entry of the limits into the Platform's system by Euronext FX personnel, which shall occur as soon as reasonably possible after receipt of such instruction (or such other time period as may be agreed upon by the primer broker and Euronext FX in their executed agreement).

## **11. Material Market Disruption**

Where there is a material disruption on the Platform, including malfunctions of the Platform, attempts to commit market abuse, failure by a third party that is required for the Platform, suspension or termination by CCP, an emergency or extraordinary market conditions, or a force majeure event, Euronext FX may take such actions it deems necessary to restore the proper operation of the Platform. In the event of a system failure where the Platform experiences a service loss, open orders will be canceled regardless of their TIF (time in force). Orders that were filled but not yet confirmed will be considered filled. Please contact [support@fastmatchfx.com](mailto:support@fastmatchfx.com) regarding any questions. Material market disruptions effecting orders and transactions are further addressed in Section 13 below.

## **12. Transaction Review Policy**

### **a. Categories of Transactions subject to review**

Categories of transactions subject to review and Euronext FX dispute resolution processes include Impermissible Transactions and Off-Market Transactions.

#### *Impermissible Transactions*

In the event that a User has entered into a transaction and: (i) the counterparty is not an authorized Euronext FX User, (ii) as a result of the User entering into such transaction, the User exceeds any applicable credit limit, or (iii) the product and/or currency and/or tenor that is the subject of such transaction is not permitted. In the event Euronext FX or a User believes a transaction was an Impermissible Transaction, Euronext FX has the right to determine whether the transaction was an Impermissible Transaction, and if so, to cancel the transaction.

#### *Off-Market Transactions*

Off-Market Transactions are transactions that are not in line with other prices dealt for trades executed on by other Users at or around the time of the transaction. Euronext FX may also reference non-executed prices available on the Platform around the time of the transaction. The prevailing market is determined by Euronext FX, in its sole discretion, based on current market conditions. If a User or Euronext FX believes a transaction constituted an Off-Market Transaction, either the User or Euronext FX may initiate a transaction review pursuant to this Transaction Review Policy.

## **b. Initiation of Transaction Review**

### *Transaction Reviews Initiated By Users or Prime Brokers*

Users may submit a request to Euronext FX. Each request will be considered on a case-by-case basis and in the sole discretion of Euronext FX.

Users must submit requests to review a transaction by contacting Euronext FX within 20 minutes of execution of such transaction at +1 (212) 201-7319 or [support@fastmatchfx.com](mailto:support@fastmatchfx.com), and requesting that the transaction be reviewed pursuant to the Transaction Review Policy. Prime brokers may submit a request to review a transaction within the time period set forth in the Participating Financial Institution (PFI) Addendum or other similar legal agreement, or if no time period is stated in the PFI Addendum, a reasonable time after execution of the transaction. User's review request must include the following information:

- Time of order entry;
- Time of execution;
- Currency pair;
- Notional value;
- Side;
- Price;
- Relevant circumstances.

If a series of transactions are affected, a single request for review submitted to Euronext FX identifying all of the series is acceptable.

Requests received outside of the time periods described above may be reviewed depending on the facts and circumstances surrounding such request; however, Euronext FX reserves the right to decline to review any request not submitted within this time period. Euronext FX further reserves the right to initiate review of transactions, regardless of whether a User has submitted a request for review.

In addition, A prime broker shall have the right to have the Platform cancel any transaction effected by the prime broker within one (1) hour after the execution of such transaction if such transaction was executed in excess of a prime broker credit limit.

The prime broker shall communicate the cancellation request directly to Euronext FX and the counterparty and indicate which prime broker credit limit was exceeded.

In the event the counterparty to the canceled transaction disputes the right of the prime broker to have the Platform cancel such transaction, the dispute will be resolved in accordance with the trade dispute process set out below (Transaction Review and Resolution Process).

## **13. Transaction Review and Resolution Process**



If Euronext FX determines, at the request of a User, prime broker, or in its sole discretion that circumstances warrant a review of a transaction, order or other instruction to the Platform, including those circumstances where a transaction (or order) is the subject of a request for review, suspected of being an Impermissible Transaction, Off-Market Transaction, affected by a material market disruption (as described in Section 11 above), User system error, associated with suspicious activity, or other good cause (collectively, “Reviewed Transaction”), Euronext FX may initiate a review of such transaction (or order), although Euronext FX is not under any obligation to review any transaction and shall not be liable for any failure to do so.

Euronext FX will use its good faith efforts to contact each party to a transaction (or order), and/or their prime brokers that has been disputed by the counterparty or which is an Off-Market Transaction of Impermissible Transaction. *Euronext FX will not review a transaction that has already settled.* Euronext FX will use reasonable efforts to protect the anonymity of the parties to a Reviewed Transaction, although Euronext FX may provide relevant data to each party in its efforts to have the parties to the Reviewed Transaction reach a mutually acceptable result.

Euronext FX will review relevant information available to it to resolve the Reviewed Transaction. For example, if the Reviewed Transaction is related to an Off-Market Transaction, Euronext FX will review available data to determine the market rate for similar transactions executed at the time of the Reviewed Transaction. Among the information that Euronext FX may consider are pricing data from the Platform and similar markets, oral interviews with the parties to the Reviewed Transaction, and discussion with market professionals not involved in the Reviewed Transaction.

Euronext FX will use good faith efforts, and as it deems appropriate under the circumstances, to assist the parties to the Reviewed Transaction to arrive at a resolution which is reasonably acceptable to those parties, and to Euronext FX’s interest in conducting an orderly market. In the event the parties do not timely agree upon a reasonable resolution with respect to a transaction disputed by the parties, Euronext FX may, in its discretion, determine upon the resolution for the Reviewed Transaction which is binding upon the parties. Possible resolutions of Reviewed Transactions include, but are not limited to, an agreement by the parties to the Reviewed Transaction to modify one or more of its terms, or Euronext FX’s determination to uphold the Reviewed Transaction as executed or to void the Reviewed Transaction. Further, in order to maintain a fair and orderly market and to assist Users affected by unusual circumstances, Euronext FX, may, in its sole discretion and where applicable based on the nature of the Reviewed Transaction, identify a counterparty for one side of the Reviewed Transaction, and may instruct such counterparty to initiate such trades acting on Euronext FX’s instruction and on its behalf.

A final determination will be made by Euronext FX in its sole discretion and will be made as soon as reasonably possible. The parties expressly acknowledge and agree to Euronext FX’s authority to take such action, and that Euronext FX has no liability for acting in accordance with the terms of this Transaction Review Policy. Euronext FX will promptly provide e-mail notification of a determination to the parties involved in a Reviewed Transaction.

Use of the Platform constitutes acceptance of Euronext FX’s right to resolve Reviewed Transactions in accordance with this Transaction Review Policy.



### **13. Recording of Conversations**

Euronext FX may record telephone calls to the Euronext FX offices for business purposes. Recorded calls will be identified by announcement, a recurring tone, or similar indication. Parties to recorded conversations will be deemed to have consented to such recordings. Euronext FX has no obligation to record telephone calls or to retain recorded calls.

### **14. Compliance**

Users are required to comply with U.S., E.U., and other applicable export control and sanctions laws and regulations at all times and will not be permitted to use the Platform if: (i) any of its owners, directors, workers or employees is a person whose name appears on the list of Specially Designated Nations and Blocked Persons published by the United States Department of Treasury Office of Foreign Assets Control (“OFAC”) (each, an “OFAC-Listed Person), the United Kingdom’s HM Treasury Sanction List, the European Union’s Consolidated Sanctions List, or any other applicable sanctions list; (ii) User or any owner or senior manager of User is a department, agency or instrumentality of, or is otherwise directly or indirectly controlled by or acting for on behalf of the government of any country that is the target of any of the several economic sanction programs administered by OFAC (31 C.F.R. Parts 501 through 598) or any OFAC-Listed Person; or (iii) any of the funds used by User to perform any of its obligations constitute or will constitute funds obtained from or on behalf of any OFAC-Listed Person or any Blocked Person or any other person subject to applicable sanctions.

In connection with its use of the Platform and related services, each User is required to comply with the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, Singapore Prevention of Corruption Act (Cap. 241) and any other anti-bribery or anti-corruption laws existing in the jurisdiction in which such User does business. Each User agrees that it will not, directly or indirectly, offer, pay, solicit, receive or condone any form of a bribe or payment of money or other thing of value to government officials, political parties or party officials, candidates for political office, any other person while knowing that all or a portion of such money or thing of value will be offered, given or promised, directly or indirectly, to any of the aforementioned persons or organizations, or any other person for the purposes of making a bribe, for the purposes of improperly influencing or obtaining an improper advantage in connection with obtaining or retaining business.