

Date

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Market

Euronext Cash Markets

Euronext Cash Markets: Fixed Income, SeDeX, EuroTLX, and Exercise and Assignment fees

Summary

Effective 11 September 2023, Euronext fee guides will incorporate trading and logical access fees for Borsa Italiana Fixed Income Markets, SeDeX and EuroTLX, as a result of the migration onto Optiq®. Effective 1 October, Euronext will introduce a new regime for Fixed Income Liquidity Distributors, and will remove Exercises and Assignments fees.

Euronext informs clients that with the Borsa Italiana migration of Fixed Income Markets, SeDeX and EuroTLX markets onto the Optiq® trading platform on 11 September 2023, the fees for trading services on these markets will be integrated into the following Euronext fee guides:

- Euronext Cash Markets Trading Fee Guide;
- Euronext Cash Markets Market Maker Liquidity Provider Trading Fee Guide.

At the same time, the updated regime for Logical Access fees, details of which were already incorporated into the Euronext OEG Sessions Fee Guide on 27 March 2023, will also become effective for the Fixed Income Markets, SeDeX and EuroTLX markets.

In addition, effective 1 October 2023, new fees for Euronext Fixed Income Liquidity Distributors will become effective, as well as the removal of fees for Exercise and Assignment.

The updated Euronext fee guides will be available on the Euronext website at [Fees & Charges | euronext.com](https://www.euronext.com/fees-charges).

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1. Phase 2 migration: amendments and incorporation of fees onto Euronext fee guides

a. Borsa Italiana Fixed Income markets (MOT and ExtraMOT)

The existing differentiation between two pricing packages will be simplified with a single fee structure, with the application of a monthly minimum activity charge and the application of fees based on the execution and the nominal value traded:

- a flat unit fee on executed orders, according to the new Optiq[®] definition, will replace the current volume discount scheme;
- the ad-valorem component will be enhanced as follows:
 - differentiation among aggressive continuous flows, passive continuous flows, auction flows and flows relative to government direct distribution;
 - introduction of a volume discount scheme for aggressive continuous and passive continuous flows, separately;
 - application of a zero fee to flows relative to bonds other than government bonds in direct distribution phase.

The Request For Quote functionality will be offered without size-limits, and interaction with the orderbook will be possible.

b. SeDeX

The SeDeX fee structure will be adapted to the migration onto Optiq[®], and to the adoption of the Request for Execution (RFE) market model. Key amendments:

- while maintaining the existing composition of the two pricing packages, the number of executed orders will be substituted by the number of trades, in line with the other Euronext markets for Warrants & Certificates¹;
- the fee for Primary Liquidity Providers will be differentiated from the fee charged to intermediaries, Secondary Liquidity Providers and MiFID II Market Makers, to take into account the new dynamics of the RFE model;
- the ad-valorem multiplier will be adapted, so that the unit fee will be doubled above €50,000 per trade, instead of €100,000 per executed order.

c. EuroTLX Market (Bond-x, Cert-x, EuroTLX Equity)

For Bond-x, Cert-x and EuroTLX Equity, the existing cap at three invoiceable contracts for contracts executed at the same price generated by the same order by intermediaries not on principal basis will be removed.

Furthermore, specifically for Bond-x, the following will apply:

¹ At migration, by-default Customers will be allocated to Package 1 or Package 2 depending on their existing pricing packages. Any change can be communicated via the form available on the Euronext website at [Fees & Charges | euronext.com](https://www.euronext.com/fees-charges).

- simplification of the market making regime, with Market Makers A and B substituted by a single role, with a pricing scheme differentiated in two packages in relation to the sole number of quoted instruments;
- adaptation of the price level for intermediaries not on principal basis, from 0.7bps to 0.8bps;
- introduction of a liquidity provider trading fee waiver for Market Makers that undertake liquidity obligations on more than 100 average instruments, and exceed a monthly market share of 10% in fulfilment of market making obligations; in this circumstance, they can benefit from a trading fee waiver on that specific instrument for the same month;
- simplification of the Request for Quote fee scheme, so that the differentiation by product type will be replaced by the sole distinction by size of the nominal value traded;
- introduction of negotiated transactions via the Trade Confirmation System (TCS);
- listing fees for Specialists: trading rights charged to Specialists for quoting instruments will be moved to the Price list for listing services (available at [Italian Bonds: real time Quotes, Ratings, Charts - Borsa Italiana](#)) and will be based on the nominal value outstanding at the listing date.

Specifically for Cert-x, the following will apply:

- removal of the waiver for subscription fees charged to an Intermediary on principal basis, when the same Intermediary already pays a subscription fee as Specialist;
- introduction of an additional fee of €50 per instrument in the case that a client requires Borsa Italiana to upload the request for admission, instead of directly using the MyEuronext portal;
- application of trading rights also for those instruments that complete the admission process, are issued but do not start trading within three months after the admission date.

No further amendments will be introduced for EuroTLX Equity.

d. Logical Access Fees for Borsa Italiana Fixed Income markets, SeDeX and EuroTLX

On 11 September 2023, with the migration of SeDeX, Borsa Italiana Fixed Income Markets and EuroTLX onto Optiq[®], the cap applied to "Eligible Firms"² on OEG Logical Access fees will be extended to cover fixed income and structured products (Warrants Optiq[®] segment). Consequently, the cap will include fees charged in February 2023 for the migrated asset classes (Equity,

² As a reminder, "Eligible Firms" are defined as:

- being active in at least one of the following asset classes on Borsa Italiana: Equities, ETPs, Fixed Income, Structured Products, or Equity and Index derivatives;
- having a ratio of activity (value/lots) between Borsa Italiana vs the overall Euronext Group that exceeds 75% for each asset class in which they are active.

In the case that a participant is active in five asset classes, the ratio of 75% only needs to be met on a minimum of four asset classes.

ETFs, ETVs, ETNs, Structured Products and Fixed Income) on all Euronext Group markets.

This cap will expire on 30 June 2024. For further details, please refer to the Info-Flash of [7 December 2022](#), and to the Euronext OEG Sessions Fee Guide effective since 27 March 2023.

e. Billing in September 2023

During the month of September 2023 the transition between the two pricing models (before and after the Optiq® migration) will be managed through two invoices, as follows:

- the first invoice, calculated according to the existing fee structure and the existing billing procedures, will cover the period 1-10 September (6 trading days). Price levels and parameters will be adjusted to cover 6 trading days, out of 21 total trading days in September;
- the second invoice, calculated according to the new fee structure and the Euronext billing procedures, will cover the period 11-30 September (15 trading days). Price levels and parameters will be adjusted to cover 15 trading days, out of 21 total trading days in September.

A dedicated document will be available at [Fees & Charges | euronext.com](#).

Furthermore, Millennium IT Front Office IDs will not be charged in September.

2. Amendments effective 1 October 2023

a. Liquidity Distributors for Fixed Income instruments

The Liquidity Distributor (LD) scheme for Euronext Amsterdam, Euronext Brussels, Euronext Lisbon and Euronext Paris will be amended and harmonised across the Group, so that the same scheme will be also applied to Borsa Italiana Fixed Income Markets and to Bond-x.

Trading fees will be charged at 0.7bps on the nominal value traded, subject to the respect of LD criteria, and the payment of a subscription fee per each market:

- €30,000/year per Euronext Amsterdam, Euronext Brussels, Euronext Lisbon and Euronext Paris;
- €30,000/year per Borsa Italiana Fixed Income Markets;
- €30,000/year per Bond-x.

b. Exercise and Assignment

Exercise and Assignment fees reported in paragraph 4.2 of Euronext Cash Markets Trading Fee Guide will be removed effective 1 October 2023.

In case of any additional questions, clients are invited to contact the Product Teams (mmbonds@euronext.com, sedex@euronext.com, and equitiesteam@euronext.com).

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