Document title

SBE upgrades and delivery schedule

Document type or subject

TECHNICAL NOTE

Revision number

3.0

Date

20 October 2023

Number of pages

25

Author

Euronext

Preface

PURPOSES

This document provides clients with an overview of the SBE upgrades and related deliveries/changes that are scheduled by Euronext in the coming weeks. As upgrades and changes will be implemented on an ongoing basis in preparation for the integration of the Borsa Italiana Markets onto Optiq, clients are invited to review this schedule regularly. Note that the deliveries mentioned below impact all Euronext Markets and are <u>not</u> exclusive to Borsa Italiana Markets. Euronext will issue dedicated communications with each release to provide details on client impact.

TARGET AUDIENCE

The intended audience of this document is any client of trading activities (Trading Member Firm, ASP, ESP, ISV, Data Vendor) on the:

- **Legacy Euronext markets**: already connected to Optiq® for the other markets operated by Euronext
- **Italian markets**: connected to Borsa Italiana markets and moving to Optiq® or to the TCS and/or Saturn (reporting) features

Revision Number: 3.0

DOCUMENT HISTORY

REVISION NO	DATE	CHANGE DESCRIPTION
1.0	21 Oct 2022	First Version
1.1	23 Nov 2022	Second Version
1.2	01 Dec 2022	Third Version
2.0	25 Apr 2023	Update for Phase 2 of the Borsa Italiana Markets migration onto Optiq
3.0	20 Oct 2023	Update for Phase 3 of the Borsa Italiana Markets migration onto Optiq and enhancements unrelated to the Borsa Italiana Markets.

ASSOCIATED DOCUMENTS

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

- Guide to Trading System - Borsa Italiana Migration to Optiq - Functional Changes
- SBE Backward Forward Compatibility Document
- Migration Guidelines - Borsa Italiana Optiq Migration

Table of contents

1. Introduction

This document was created in order to help clients navigate through the changes implemented in EUA and Production between now and the go-live of Borsa Italiana onto Optiq for the IDEM market, planned for 25 March 2024.

The document provides clients with an overview of:
▪ SBE upgrades for Euronext Markets and all other relevant upgrades/changes with client impact.
▪ Dates for the Next EUA delivery, start of Testing and Production Go-Live of upgrades with all necessary links to published communications.

Clients should note that some dates are subject to change and that Euronext will communicate changes to clients as soon as possible.

Notes on SBE template versions:

■ The SBE versions used for the Current EUA and Production environments are aligned. Therefore, when Euronext implements a new version of the SBE template in Next EUA, clients can use the Current EUA to test the features supported by the earlier SBE version.

■ Clients should note that Front To Back testing is only possible on the Next EUA environment. The Current EUA environment is not connected to the CCPs.

■ Prior to the go-live dates, clients are strongly advised to validate the proper integration and processing of the SBE messages by performing extensive testing on the Next EUA Environment.

■ According to Euronext Rules, client applications should support backward and forward compatibility. Since Euronext supports backward and forward compatibility, if the Next EUA platform is on a future version of the SBE template, features and services supported by a former version should still be available for client testing.

■ Clients using the same template to access the various Optiq Cash segments and who are interested in any of the new services or functionalities are invited to upgrade to a newer available version of the SBE template to benefit from these new functionalities and services on the segments that support them. The SBE templates are available on the Euronext File Server (EFS)/Common File Transfer System (CFTS) in each Market Segment folder.

■ Clients who do not intend to support new features embedded in future SBE versions can still continue to use former SBE versions for their applications, provided that their application is backward/forward compatible as per Euronext Rules.

2. SBE Schedule for Phase 3
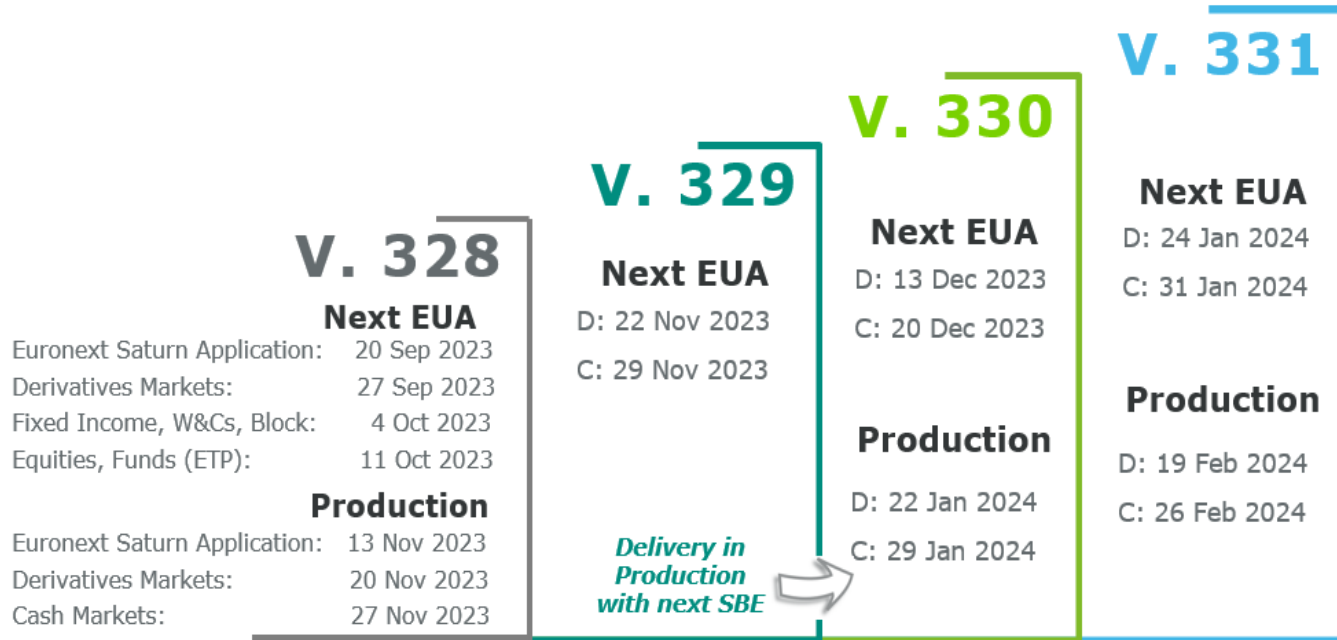
Notes:
- To accommodate with the Borsa Italiana migration Phase 3, dedicated to IDEM market, the delivery strategy of the segments has changed focusing first on Optiq Derivatives, then, on Optiq Cash
- MyEuronext services are expected to be delivered one week ahead of the Optiq Cash deliveries

Communication	SBE 328	SBE 329	SBE 330	SBE 331
Specifications	Published on 4 August 2023	*Will be communicated in due course*		
Next EUA opening	Published on 20 September 2023	*Will be communicated in due course*		
PROD Go-Live	*Will be communicated in due course*	*Will be communicated in due course*		

Revision Number: 3.0

3. Delivery of Services in EUA and Production for migration Phase 3

Service		Description & client impact	Next EUA delivery[1]	Start of testing[2]	First delivery in prod[3]	Prod go-live[4]	Communication
Membership Authorisation	Applicable to all Euronext Derivatives Markets	Currently for the Derivatives Market there is no control at Order Entry Level on Optiq on the coherence between the Trading Capacity/Last Capacity[5] (TAG 29), the Account Type/Account code[6] (TAG 6399) values and the consistency of the 2 fields with the Membership Role[7] of the Trading participant. Euronext is introducing such consistency/coherence control on Optiq as already done on cash markets. The control will be applied to Italian derivatives markets moving to Optiq at the go-live of the migration and to legacy markets following a custom activation and communication plan.	27 Sep 2023	27 Sep 2023	20 Nov 2023 (technical delivery)	For IDEM Market: At Go Live (25 March 2024) For legacy markets: the activation will be communicated in due course.	▪ SBE 328

[1] First delivery of the service in Next EUA, covering parts of the service
[2] Full delivery of the service in Next EUA and start of testing for clients

Service		Description & client impact	Next EUA delivery[1]	Start of testing[2]	First delivery in prod[3]	Prod go-live[4]	Communication
Corporate Action Counter	Applicable to all Euronext Derivatives Markets	A new field called the Corporate Action Counter will be added to *count* the number of corporate action adjustments per instrument. This counter represents the number of times the instrument has been subject to a corporate event during its lifetime. For IDEM instruments, a Go Live of IDEM on Optiq the field will be populated with the actual number of Corporate Events applied on the instrument since its creation. The field will be activated together with the Go Live of Borsa Italian IDEM market on Optiq (25 March 2024). For legacy instruments the counter will be initialized at zero (0) at Go Live (25 March 2024).	27 Sep 2023	27 Sep 2023	20 Nov 2023	Following the creation of IDEM instruments in PROD, to be communicated in due course.	▪ SBE 328

---

[3] First delivery of the service in Production, covering parts of the service
[4] Full delivery of the service in Production
[5] Possible values include Any Other Capacity – AOTC, Matched Principal – MTCH, Dealing on own account – DEAL
[6] Possible values include Client, House, Liquidity Provider
[7] Possible values include Broker, Dealer, Liquidity Provider

Revision Number: 3.0

Service		Description & client impact	Next EUA delivery[1]	Start of testing[2]	First delivery in prod[3]	Prod go-live[4]	Communication
Expiration Date	Applicable to the Derivatives Markets however for legacy markets the date will be equal to the Last Trading Date	On the IDEM Market, some contracts have an expiration date different from the last trading date. Therefore, in order to harmonize across markets, a new field called *Expiration Date* will be added to mention the expiration date of the instrument and distinguish it from the last trading date.	27 Sep 2023	27 Sep 2023	20 Nov 2023	Following the creation of IDEM instruments in PROD, to be communicated in due course.	▪ SBE 328
Lot Multiplier	Applicable to all Euronext Derivatives Markets	To accommodate the need to have multipliers with decimal values, Euronext is introducing the Lot Multiplier field that should be used going forward to compute the Contract Size, and other calculations where the Trading Unit is currently used on legacy Derivatives Markets	27 Sep 2023	27 Sep 2023	20 Nov 2023	20 Nov 2023 (for Legacy instruments) Following the creation of IDEM instruments in PROD, to be communicated in due course.	▪ SBE 328

Revision Number: 3.0

Service		Description & client impact	Next EUA delivery[1]	Start of testing[2]	First delivery in prod[3]	Prod go-live[4]	Communication
Market Maker (MM) Protection	Applicable to all Euronext Derivatives Markets - calculation of MM protection limits	Market Makers should note that currently, while the volume position was an integer and the delta position is always rounded to an integer, adding the lot multiplier both of them can result in a decimal. This means that an MMP alert will not necessarily be triggered at a consecutive time if the cumulative position is still rounded up to the same value.	27 Sep 2023	27 Sep 2023	N/A	20 Nov 2023	▪ SBE 328

Revision Number: 3.0

Service		Description & client impact	Next EUA delivery[1]	Start of testing[2]	First delivery in prod[3]	Prod go-live[4]	Communication
Derivatives Instrument Trading Code - *Automated Market Reference (AMR)*	Applicable to all Euronext Derivatives Markets	On the legacy Derivatives Markets, all instruments have a Derivatives Instrument Trading Code (formerly called the AMR code) that allows clients to identify properties of the instrument such as the Contract Code, Expiry and Exercise Price in one field. To accommodate strike prices with four (4) decimals, Euronext has adjusted the AMR coding: • The Expiry date is truncated and now will only display the full year and month, with the day being encoded • The Strike Price number of decimals is added, replacing the character now available from the previous change	27 Sep 2023 (technical delivery)	04 Oct 2023 (activation of new logic in EUA)	20 Nov 2023 (technical delivery)	Activation in Production to be communicated in due course	• SBE 328

Revision Number: 3.0

Service		Description & client impact	Next EUA delivery[1]	Start of testing[2]	First delivery in prod[3]	Prod go-live[4]	Communication
Creation of Borsa Italiana Derivatives Market on Optiq and Market Identifier Code	Creation of IDEM Market on Optiq	Exchange Code field will have three (3) new values: ■ E (Milan Equity Derivatives) ■ I (Milan Index Derivatives) ■ U (Milan Cash Underlying) New MIC added, XDMI, (Italian Derivatives Market), that will be used for Milan Derivatives Instruments.	27 Sep 2023	27 Sep 2023	20 Nov 2023 (technical delivery)	Following the creation of IDEM instruments in PROD, to be communicated in due course.	▪ SBE 328
Market Data Gateway (MDG) Channels dedicated to Borsa Italiana Derivatives Markets	▪ MDG Set of Channels ID 28 - Index Futures Italy ▪ MDG Set of Channels ID 36 - Equity Derivatives Italy ▪ MDG Set of Channels ID 37 - Index Options Italy	Introduction of the IDEM multicast groups on Optiq MDG.	27 Sep 2023	27 Sep 2023	20 Nov 2023 (heartbeats)	Following the creation of IDEM instruments in PROD, to be communicated in due course. (heartbeats and standing data)	▪ SBE 328

Revision Number: 3.0

Service		Description & client impact	Next EUA delivery[1]	Start of testing[2]	First delivery in prod[3]	Prod go-live[4]	Communication
MDG Lite Channels dedicated to Borsa Italiana Derivatives Markets	▪ MDG Set of Channels ID 28 - Index Futures Italy ▪ MDG Set of Channels ID 36 - Equity Derivatives Italy ▪ MDG Set of Channels ID 37 - Index Options Italy	MDG lite provides the Multicast (MDG) data in low bandwidth or in a TCP compressed format.	27 Sep 2023	27 Sep 2023	20 Nov 2023 (heartbeats)	At Go Live (25 March 2024)	▪ SBE 328
Riskguard Maximum Exposure Position (MEP) For Derivatives Markets	Applicable only for the legacy Euronext Derivatives Markets only (**not IDEM**), exact date for the availability on the IDEM market will be communicated in due course (in any case after the Go Live of IDEM on Optiq)	The Maximum Exposure Position feature will be introduced to provide Risk Members with the ability, via a single command, to prevent their monitored members from trading beyond a maximum traded quantity limit. Please note that this functionality is only available via the Optiq OEG FIX protocol.	27 Sep 2023	27 Sep 2023	N/A	20 Nov 2023	▪ SBE 328

Revision Number: 3.0

Service		Description & client impact	Next EUA delivery[1]	Start of testing[2]	First delivery in prod[3]	Prod go-live[4]	Communication
Reject on Wholesale or Request For Cross if Message Price Notation is populated	Applicable to legacy Euronext Derivatives Markets only	The Message Price Notation field is currently used for the Total Return Future (TRF) and Market On Close (MOC) products to indicate the type of price notation and trading mode that is applicable for the order that is sent to the market. Although it should not be populated for other products, there is currently no control on this field. As from the Optiq release associated with SBE v328, if the Message Price Notation field is populated for products other than the TRF and MOC, Optiq will reject the order.	27 Sep 2023	27 Sep 2023	N/A	20 Nov 2023	▪ SBE 328
Aggressive vs Passive in the Full Trade Information message for Uncrossing, Request For Cross and Wholesale will be removed	Applicable to legacy Euronext Derivatives Markets only	Currently clients can see if a trade is a result of an aggressive or passive buy order in the TradeQualifier field via a Full Trade Information [1004] message in Optiq MDG. With the upgrade to SBE v328, Euronext will no longer populate the TradeQualifier with the aggressive or passive flag for Uncrossing trades, or trades that happen off-book via the Request for Cross (RFC) or Wholesale facilities.	27 Sep 2023	27 Sep 2023	N/A	20 Nov 2023	▪ SBE 328

Revision Number: 3.0

Service		Description & client impact	Next EUA delivery[1]	Start of testing[2]	First delivery in prod[3]	Prod go-live[4]	Communication
Delta Neutral Wholesale - partial reactions on single legs will be rejected	Applicable to legacy Euronext Derivatives Markets only	Today, there is already a rejection in the case that the reactor populates more than one leg but not all. As of SBE v328, if the reactor only populates one leg, either one of the options or the underlying, it will be rejected by Optiq.	27 Sep 2023	27 Sep 2023	N/A	20 Nov 2023	▪ SBE 328
CFTS Reconciliation Data Service for Derivatives	Applicable to all Euronext Derivatives Markets	The CFTS Reconciliation Data service provides private Optiq trading reconciliation files, per trading member Firm ID, that are generated in the event of an incident on the Optiq trading platform. The service is live for the Cash Market, and Euronext will now also introduce this for Derivatives Markets. Client interested in the service are requested to contact Euronext.	27 Sep 2023	27 Sep 2023	20 Nov 2023 (technical delivery)	To be communicated in due course	▪ SBE 328
MyEuronext - Market Making and Liquidity Provider Module for Derivatives	Applicable to all Euronext Derivatives Markets (*for IDEM Markets as of 25 March 2024*)	Euronext will enhance within MyEuronext the Market Maker (MM) and Liquidity Provider (LP) module providing the possibility to MM/LPs to update their Product subscription for the legacy Derivatives Markets.	27 Sep 2023	27 Sep 2023	20 Nov 2023 (technical delivery)	To be communicated in due course	▪ SBE 328

Service		Description & client impact	Next EUA delivery[1]	Start of testing[2]	First delivery in prod[3]	Prod go-live[4]	Communication
New Controls on Riskguard ERGCommand (U68) for Euronext Cash and Derivatives Markets	Euronext Cash & Derivatives Markets	In the current version of Optiq, if a risk member sends an ERGCommand (U68) message and populates fields that are not relevant for the command, Optiq ignores these fields and executes the command. With the new version of Optiq, in the case clients fill in fields that are not relevant for the command, the ERGCommand will be rejected.	27 Sep 2023	27 Sep 2023	N/A	20 Nov 2023	▪ SBE 328
Short Long Code Management changes	Euronext Cash & Derivatives Markets	▪ SLC file extension will move from .dat to .csv ▪ A new field will be added to identify the action performed by the client (New, Amend or Cancel) ▪ the field "EndDate" will be removed and the actual end date will be calculated based on the date when the client enters a "Cancel" command for that specific line ▪ enhancement of SLC mapping NON-MIFID Firms for Natural Persons	20 Sep 2023	20 Sep 2023	13 Nov 2023	13 Nov 2023	▪ SBE 328

       Revision Number: 3.0

Service		Description & client impact	Next EUA delivery[1]	Start of testing[2]	First delivery in prod[3]	Prod go-live[4]	Communication
OTR and Market Making Performance Report	■ OTR IDEM Market *Borsa only* ■ Market Making performance report *Borsa only*	The OTR and Market Making Performance reports that are currently shared with clients for the Italian IDEM market will be available through the SFTP protocol of CFTS.	N/A	N/A	N/A	At Go Live (25 March 2024)	▪ Q4 2023
Derivatives Trading Safeguards	Trade Price Validation (TPV) *(existing feature extended to the IDEM Market)*	The intention of the TPV is to protect the Derivatives Market (Option and Future) against aberrant orders/prices, by putting the instrument in reservation phase. An instrument goes to reservation phase either if the Dynamic High or Dynamic Low collar is breached. The TPV protects investors from erroneous trading on an instrument whilst allowing continuous trading on a contract and is only applied at instrument level.	22 Nov 2023	22 Nov 2023	N/A	For IDEM at Go Live (25 March 2024) For legacy markets this safeguard is already active	▪ SBE 329/330

Revision Number: 3.0

Service		Description & client impact	Next EUA delivery[1]	Start of testing[2]	First delivery in prod[3]	Prod go-live[4]	Communication
	Future Spike Protection (FSP) *(existing feature extended to the IDEM market)*	FSP protects the market from an extreme price movement in the Future, allowing clients to continue trading safely in volatile conditions by automatically adjusting price limits. The FSP can be enabled / disabled at Contract Level.	22 Nov 2023	22 Nov 2023	N/A	For IDEM at Go Live (25 March 2024) For legacy markets this safeguard is already active	SBE 329/330
	Future Limit Interruption Protection (FLIP) *(new feature on applicable for the IDEM Market)*	FLIP is a new market protection mechanism, mutually exclusive with FSP, which aims to protect the future market from extreme price movement within a period of time. It works similarly to FSP but will introduce a reservation once the boundaries are breached.	22 Nov 2023	22 Nov 2023	N/A	At Go Live for IDEM Market (25 March 2024)	SBE 329/330
	Static Collars *(new feature)*	Euronext has designed Static Collars to protect the market and investors in a period of high volatility and only used for Futures contracts. It can be perceived as a daily limit up or limit down protection against significant price movements. The Static Collar will be a trading safeguard that will be complementary to Dynamic Collars, FLIP and FSP.	22 Nov 2023	22 Nov 2023	22 Jan 2024 (technical delivery)	At Go Live for IDEM Market (25 March 2024) *Activation date for the legacy Derivatives Market will be communicated in due course*	SBE 329/330

Revision Number: 3.0

Service		Description & client impact	Next EUA delivery[1]	Start of testing[2]	First delivery in prod[3]	Prod go-live[4]	Communication
Activation of Quotes on Futures	Applicable for all Futures (except Equity Index Futures) and only for the IDEM Market for now, activation for legacy Markets to be communicated in due course.	Currently Quotes are not enabled on Futures. With the integration of the Italian instruments Euronext will introduce the possibility to use the Quotes message on all Futures except for the Futures that are on the Spontaneous Implied Model (SIM).	22 Nov 2023	22 Nov 2023	22 Jan 2024 (technical delivery)	At Go Live for IDEM Market (25 March 2024)	SBE 329/330
Maximum Quantity Limits On Calendar Spreads	Applicable for all Calendar Spreads (Futures and Options) and applicable to all Euronext Derivatives Markets	As described by MIFID II, Euronext will introduce a control / limit on the Maximum Quantity for Calendar Spreads. Orders above these thresholds will be rejected.	22 Nov 2023	22 Nov 2023	22 Jan 2023 For Legacy Markets	At Go Live for IDEM Market (25 March 2024)	▪ SBE 329/330

Service		Description & client impact	Next EUA delivery[1]	Start of testing[2]	First delivery in prod[3]	Prod go-live[4]	Communication
Restriction of Delta Neutral with Cash Underlying on Italian instruments	Applicable only for the IDEM Market	With the migration of the IDEM Market to Optiq, client will not be able to trade a Delta Neutral with a Cash Underlying on Italian instruments, a Delta Neutral with Future will remain possible. Euronext might enable the Delta Neutral with Cash Underlying for Italian instruments at a later stage.	22 Nov 2023	22 Nov 2023	22 Jan 2023 (technical delivery)	At Go Live for IDEM Market (25 March 2024)	▪ SBE 329/330
Open Interest Dissemination	Applicable only for the IDEM Market	The Open Interest management of the IDEM market will be harmonized with the other Euronext Derivatives Markets. The Open Interest will be published once a day around 22:30 CET/CEST for each series of Italian Derivatives contracts traded.	22 Nov 2023	22 Nov 2023	22 Jan 2023 (technical delivery only)	At Go Live for IDEM Market (25 March 2024)	▪ SBE 329/330

Revision Number: 3.0

Service		Description & client impact	Next EUA delivery[1]	Start of testing[2]	First delivery in prod[3]	Prod go-live[4]	Communication
Stop Orders Derivatives	Applicable only for the IDEM Market	A Stop Order is an order type that is sent to the central order book when specific price conditions are met (in respect to a "trigger price" provided together with order). This allows participants to limit losses or lock-in gains. There are 2 different types of Stop Orders: 1. **Stop Market (Stop Loss) Order**. Once the Stop Market order is triggered, it becomes a market order and will try to match against the best price, at any price on the opposite side of the central order book and until the quantity is exhausted. Any unexecuted part will be automatically cancelled. 2.**Stop Limit Order.** The Order Price (or Limit Price) must be provided. Once the Stop Limit is triggered, a limit order enters the central order book, at the defined limit price.	13 Dec 2023	13 Dec 2023	N/A	At Go Live (25 March 2024)	▪ SBE 330

Revision Number: 3.0

Service		Description & client impact	Next EUA delivery[1]	Start of testing[2]	First delivery in prod[3]	Prod go-live[4]	Communication
Random Uncrossing for Derivatives Market	Applicable to all Derivatives Markets	For the Derivatives Market the Random Uncrossing mechanism will be applied to uncrossing phases before the move to Continuous Trading phase. This improvement means that during these trading phases, uncrossing can be triggered randomly within the first 30 seconds after the scheduled opening time (or reopening time) for continuously traded instruments.	24 Jan 2024	24 Jan 2024	N/A	To be communicated in due course	▪ SBE 331
Introduction of control on Trading Capacity for Wholesale and Request For Cross	Applicable only to the IDEM Market for Wholesale and Request for Cross	An "internal" negotiated transaction (meaning buy and sell side entered by the same trading member) will not be accepted by Optiq if the trading capacity is one of the following combinations: ▪ DEAL vs. DEAL ▪ DEAL vs. MTCH ▪ MTCH vs. DEAL ▪ MTCH vs. MTCH	24 Jan 2024	24 Jan 2024	N/A	At Go Live (25 March 2024)	▪ SBE 331

Revision Number: 3.0

4. Documentation

Clients should be aware that Euronext updates technical documentation on a regular basis, and notification of these updates is shared with clients through either an Info-Flash or an Operational Notice.

Notices and Info-Flashes are published in the News section and technical documents are published in the IT documentation section of the Euronext Connect customer portal.

- Guide to Trading System - Borsa Italiana Migration to Optiq - Functional Changes
- Migration Guidelines - Borsa Italiana Optiq Migration
- Euronext Derivatives Market - How the Market Works

Revision Number: 3.0

5. Contacts

Find below the contact details of Euronext's support teams:

Team	Contact details
Optiq Migration Help Desk from Operational Client Services - **Clients' first point of contact for the Borsa Italiana migration** - **Technical & functional assistance with development and testing on Optiq** - **Assistance with the use of the EUA environment, conformance tests, timeline and customer readiness checklist**	- **Italy:** +39 02 4541 1399 - **France:** +33 1 8514 8585 - **Belgium:** +32 2620 0585 - **Norway:** +31 20 721 9585 - **Portugal:** +351 2 1060 8585 - **Ireland:** +353 1 6174 289 - **UK:** +44 207 660 8585 - **Netherlands:** +31 20 721 9585 - **Email:** Optiqmigration@euronext.com

Revision Number: 3.0