



# EURONEXT BORSA ITALIANA OPTIQ<sup>®</sup> MIGRATION – FREQUENTLY ASKED QUESTIONS

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## GENERAL

### What is the rationale behind Euronext's acquisition of Borsa Italiana?

The acquisition of Borsa Italiana signifies another key milestone in the delivery of Euronext's vision to build a consistent pan-European marketplace offering best-in-class capital markets services. The completion of the transaction further strengthens Euronext's position as the leading pan-European market infrastructure and the leading venue for capital markets in Europe.

Euronext intends to leverage its enhanced capabilities to further penetrate European capital markets and serve as the backbone of the Capital Markets Union in Europe, while at the same time supporting local economies. Local investors, market members and issuers of each Euronext market have access to a significant range of active institutional investors across Europe and worldwide. The transaction expands the Group's strategic prospects in a rapidly changing environment and is expected to translate into new opportunities for growth, geographical expansion, business diversification and product innovation.

An integration plan has been developed, across several workstreams, under the oversight of an Integration Management Office, including representatives of both the Borsa Italiana Group and Euronext.

### Will Borsa Italiana markets migrate onto Euronext's Optiq® platform?

Yes, Borsa Italiana markets will migrate onto Optiq. However, MTS will remain on a separate technology stack.

### What are the benefits of the migration for clients?

Euronext is confident that the Borsa Italiana markets migration onto Optiq will increase Borsa Italiana's member base (leveraging Euronext's member base that is not currently connected to Borsa Italiana markets) and expand the service and product offerings currently on offer to Borsa Italiana's clients (leveraging existing Euronext value-added services which would be of interest to Borsa Italiana's clients).

We aim to foster investors' activity and volumes on Borsa Italiana markets. Ultimately, this will sustain Borsa Italiana's market share and secure the viability of its markets.

### What has been your experience in past exchange acquisitions?

Euronext Dublin and Oslo have performed very well since their integration in 2019 and 2020 respectively, and the integrations ran smoothly. The Dublin and Oslo management teams were successfully integrated into Euronext governance framework, and the Central



Bank of Ireland and Norwegian Financial Supervisory Authority joined the Euronext College of Regulators.

Euronext Dublin migrated to Optiq in February 2019, allowing Irish capital markets participants to access the largest single pool of liquidity in Europe with strong tangible benefits for market participants.

#### What is the proposed timeframe for the integration of Borsa Italiana?

The completion of the transaction took place on 29 April 2021 and we are working on the integration process and associated timelines. Euronext teams and Borsa Italiana teams went through an extensive period of discovery sessions and presentations to work on the integration. Further announcements will be made in due course. Subject to regulatory approval, the anticipated timeline is a migration of all Cash markets (EuroTLX) and Financial Derivatives markets by H1 2023.

The detailed timeline will be communicated by Q1 2022.

#### Could you elaborate on the potential synergies?

The Euronext ambition for the next three years was announced to the market in November 2021 as part of the 'Growth for Impact 2024' company strategic plan. This includes the group synergies.

For further information, please refer to [Investor Day 2021 | euronext.com](#).

#### What are the main contacts for technical questions on the migration?

The Client Support teams can be reached out via mail or phone using:

- **Optiq Migration Support team:** [Optiqmigration@euronext.com](mailto:Optiqmigration@euronext.com)
- **Euronext Support team:** +33 1 8514 8585
- **Euronext Borsa Italiana Support team:** +39 02 4541 1399

For further information about the Borsa Italiana Optiq Migration, you can also contact your Sales Representative.

Pending general Optiq documentation which will be made available on the Euronext customer portals, we invite you to refer to current documentation on how Optiq works (documentation will be updated in due course with expected changes) and latest information sharing:

- [Borsa Italiana Optiq migration | Connect \(euronext.com\)](#)
- [Borsa Italiana Optiq migration | Borsa Italiana website](#)
- Borsa Italiana Optiq Migration Guide to New Trading System: **to be available by Q1 2022**
- Strategic Plan Presentation | [2021 Investor Day presentation](#)
- Derivatives Market | [How the market works](#)
- Cash Markets | [Optiq Kinematics Specifications](#)
- Connectivity to the markets | [Optiq OEG connectivity - Specifications](#)

## REGULATORY FRAMEWORK

## How will Milan be regulated and what regulatory roles will it have?

The Milan regulated markets will remain under the regulatory authority of their local National Competent Authority, Consob, located in Rome.

## TRADING

### What products or services do you expect to launch that will benefit Euronext members, post-migration?

Euronext is investigating the possibilities of launching new products and services. However, we do not plan on launching them on Day-1 of the migration to Optiq. Completing the migration is the number one priority for the Euronext Group.

### Could you describe some of the major benefits the clients will get by migrating to Optiq?

Although Millennium IT and SOLA have been satisfactory and resilient to date, the migration to Optiq will provide member firms, ISVs / ASPs and Data vendors with a state-of-the-art platform.

Being a last-generation trading platform, Optiq will offer improved latency (below 100 microseconds and with reduced jitter), scalable capacity, and access to multiple asset classes through the same trading protocols (native SBE and FIX 5.0). Coupled with the integration of our data centres, Optiq will also offer additional opportunities to extend trading activity to legacy Euronext markets, upon client choice, to maintain different protocols for different markets or asset classes.

In a nutshell, the migration to Optiq will offer additional opportunities for participants to optimise their trading strategies and to grow their business, with limited investments, across new asset classes and geographies.

In addition, Optiq offers the necessary flexibility to be configured in a way that will guarantee service continuity for the existing trading services offered by Borsa Italiana, including specific trading models such as the Trading After Hours, the Market for Investment Vehicles, as well as direct distribution and takeover bids (non-exhaustive list).

### Will there be any functional changes to the Optiq trading platform?

Yes, the Borsa Italiana Migration onto Optiq will result in functional changes to the Optiq trading platform. Trading member firms, Clearing member firms, ISVs/ ASPs and Data vendors – legacy and new - will be invited to set up, test and validate their connection to Euronext systems for the migration, as well as prepare all their set-ups to trade on Euronext systems.

Trading member firms, Clearing member firms, ISVs/ ASPs and Data vendors will also be invited to define and set up their arrangements with third parties such as CCPs and Network providers.

From a market model perspective, Euronext and Borsa Italiana teams, together with the Regulators, have performed an assessment of the differences between Euronext and Borsa Italiana models. Details are being formalised and will be communicated in due time.



### Will Sponsored Access be made available on Optiq?

Yes, a Sponsored Access functionality will be available on Optiq to Borsa Italiana and legacy Euronext clients.

### Will Borsa Italiana markets be accessible via the Logical Accesses already in use for legacy Euronext markets?

All details about connectivity to the different Optiq segments will be communicated in due course.

### Will there be changes to pricing and fees?

Further announcements will be made on this topic in due course. Euronext is reviewing this topic whilst working on the integration process in parallel.

### What will the next milestones be for me as a client?

For our clients – Borsa Italiana and Euronext legacy clients - to experience a smooth migration of Borsa Italiana markets onto Euronext systems keeping in line with the timeline determined, we kindly encourage them to secure time, resources and budgets in 2022 and 2023. We are conscious of the efforts required from our clients and thank you in advance.

Technical resources and capabilities will be required to configure and prepare systems to migrate and update connectivity links. The migration timeline, when communicated, will allow clients to allocate resources in an appropriate manner.

Some Optiq updates for Euronext's legacy clients will start end of 2022.

### What are the legal impacts for me as a client?

Legal resources will be required to approve new or updated legal documentation sets.

### Will the market model of each asset class change together with the migration to Optiq?


Market model harmonisation is being considered by asset class and will depend on market specificities. Potential changes to existing market models will be communicated in due course.

### Will I be allowed to use the same network connection I am currently using?

Euronext customers already connected to Aruba, as a consequence of the Euronext Data Centre migration, will be able to leverage their connectivity solution to connect also to Borsa Italiana markets once they are migrated to the Optiq trading platform (and the Aruba Data Centre).

Legacy Borsa Italiana customers can connect to the Aruba Data Centre using any of the Euronext connectivity solutions provided (CMC, colocation, Service Provider, Bit Network operated by Borsa Italiana). For additional information, please refer to the [Service Description Brochure](#), available on Connect.

Clients currently connected to Borsa Italiana through the LSE backbone should order an alternative connectivity option. Euronext is planning to migrate all these clients by Q3 2022.



Will it be possible to connect from Aruba to BT Inet and from BT Inet to Aruba, while Borsa Italiana markets will be partially in Aruba and partially in BT Inet during the migration?

Yes. To facilitate the transition period between the Euronext Data Centre migration and the Borsa Italiana migration to Optiq, Euronext will provide clients with connectivity between Euronext and Borsa Italiana primary Data Centres until completion of the Borsa Italiana migration to Optiq.

For more information, please contact your sales representative or [DCMigration@euronext.com](mailto:DCMigration@euronext.com)

## POST-TRADE

What will happen to the post-trade process (settlement and custody) for Milan, since Euronext also acquired CC&G and Monte Titoli? What will change?

For Italian markets, the target post-trade clearing set-up will remain unchanged. It will continue to be offered by Euronext Clearing (former CC&G) as the incumbent CCP for clearing and Euronext Securities Milan (former Monte Titoli) for settlement and custody on Borsa Italiana markets.

Please refer to Euronext Growth for Impact 2024 Strategic Plan for more information on the clearing project.

What will the target post-trade clearing set-up be?

The target post-trade clearing set-up will remain unchanged.

The Euronext Optiq platform will report on executed trades to the X-TRM system<sup>1</sup> of Euronext Securities Milan.

Any trade executed on Cash Equity, Fixed Income, Warrants & Certificates offered on Borsa markets are sent to Monte Titoli X-TRM system, no matter they are guaranteed or not guaranteed (i.e. not cleared by CCPs). For guaranteed trades, Monte Titoli reports on trades to the CCPs.

On Equities (including ETFs), the current preferred clearing model with EuroCCP and LCH Ltd remains unchanged.

What will be the next milestones for me?

Clearing members and settlement agents will be informed of potential changes in early 2022, following regulatory approval:

- At the recurring Euronext Clearing and Euronext Securities Milan user group committees

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<sup>1</sup> X-TRM is the system operated by Euronext Securities Milan which centralises the post execution processing of any transaction executed on Borsa Italiana market, handling netting and the production / routing of settlement instructions and providing relevant details to the Central Counterparties for guaranteed transactions.

- At a customer roadshow which will be organised in Q1 2022 to discuss the Optiq timeline
- During a customer consultation which will take place in Q1 2022 to collect customer feedback on the clearing migration programme, announced on 9 November 2021
- And any potential change to the post trade set-up, resulting from this consultation and affecting the Optiq migration, will be communicated subsequently.

## MARKET DATA

### Will there be any functional changes to the Optiq Market Data Gateway (MDG)?

The Borsa Italiana Migration onto Optiq will result in changes to the data provided via the Optiq Market Data Gateway (Optiq MDG). Trading member firms, ISVs/ ASPs and Data vendors will be invited to set up, test and validate their connection to Euronext systems for the migration, as well as prepare all their set-ups to receive the market data.

Euronext and Borsa Italiana teams, together with the Regulators, are currently assessing the differences between Euronext and Borsa Italiana models. Details will be formalised and communicated in due time.

### Will Borsa Italiana markets be disseminated via dedicated channels?

Yes, new dedicated market data channels will be set up for the Borsa Italiana data dissemination via the Optiq Market Data Gateway (MDG). New and updated documentation will be provided throughout the course of the migration to provide clients with the technical information they need. This documentation will be available in the [II Documentation](#) section of the Euronext Connect Customer portal.

### What will the minimum bandwidth requirements be for Borsa Italiana markets?

Minimum bandwidth requirements will be communicated as part of the connectivity model.

### What will be the available services (market depth etc.) for the different bandwidth options (100Mbps, 1Gbps, 10Gbps)?

New and updated documentation will be provided throughout the course of the migration to provide clients with the technical information they need. Please refer to the 'Migration Strategy' section of this document for more information.





## MIGRATION STRATEGY

How will I be able to connect to the different Euronext test environments during the migration?

Throughout the migration, Euronext is committed to providing continuity in all test environments between the current and the future data centres for all forthcoming Optiq® releases and to allow clients to perform all required testing in the new data centre prior to the migration.

The details will be communicated in due course as part of the overall migration strategy.

How many dress rehearsals in production will be planned?

The details will be communicated in due course as part of the overall migration strategy.

Will Euronext update its technical documentation?

Yes. Throughout the Borsa Italiana Optiq migration project, Euronext will provide communication and updates through dedicated channels, in order to ensure that all clients have access to clear and useful information for the duration of the project.

The following communications will be sent to convey key details and clients should ensure that they subscribe to the relevant distribution lists.

- **Info-Flashes:** these operational communications will announce key milestones of the project, and details that all clients should be aware of, such as: documentation publication, the opening of each platform, and confirmed Production implementation dates. Clients can subscribe to Info-Flashes through the 'My Subscriptions' page on the [Euronext Connect Customer portal](#).
- **Operational Notices:** these operational communications will announce technical updates on the project. Clients can subscribe to Info-Flashes through My Subscriptions' page on the [Euronext Connect Customer portal](#).
- **Technical Documentation:** new and updated documentation will be published throughout the course of the migration to provide clients with the technical information they need. This documentation will be available in the [IT Documentation](#) section of the Euronext Connect Customer portal.



## WHAT'S NEW?

Revision No./ Version No.	Date	Change Description
<b>1.0</b>	11/01/2022	<b>Version 1.0</b>

## Contact

For any questions related to Borsa Italiana Optiq migration, please contact:

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